Daily Report

Latin America

FBIS-LAT-94-185
Friday
23 September 1994

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Daily Report
Latin America

FBIS-LAT-94-185 *23 September 1994*

CONTENTS

NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication will be changed. All new indicators will begin with "FBIS" to make the material more easily identifiable. Some will also indicate whether the item has been translated from the vernacular or transcribed from English.

An Ω indicates a Foreign Media Note.

INTERNATIONAL AFFAIRS

South Atlantic Countries Hold Meeting in Brasilia 1
Di Tella Urges Nuclear-Free Zone *[Madrid EFE]* 1
South Atlantic Ministers Sign Accords *[Brasilia Radio]* 1

INTER-AMERICAN AFFAIRS

OAS Official: OAS Best Forum for Haiti Crisis *[Madrid EFE]* 3
Chemical Weapons Convention Seminar Ends *[EL COMERCIO 5 Sep]* 3

CARIBBEAN

Cuba

Raul Castro Comments on Farmers Markets *[Havana TV]* 4
Markets Reportedly Yield Positive Results *[PRENSA LATINA]* 5
Anticipated Effects of Farmers Markets Viewed *[Havana Radio]* 6
'Straight Talk' Views Farmers Markets *[Havana Radio]* 6
Envoy to Italy Views Haiti, Rafters, Embargo *[Rome L'UNITA 22 Sep]* 9
Laotian Foreign Minister Arrives for Visit *[PRENSA LATINA]* 10
Alarcon: ANPP Delegates Should Exercise People's Power *[PRENSA LATINA]* 10
Gran Caribe Hotel Group Bids To Attract Tourists *[PRENSA LATINA]* 11
Authorities To Complete Radioisotopes Center by 1995 *[Havana Radio]* 11
Assembly Prepares Response to Venezuelan Senators' Remarks *[Havana TV]* 11

Inter-Caribbean Affairs

Nations Prepare To Help Haiti Economically *[Castries TV]* 12

Bahamas

Foreign Minister on Troop Deployment in Haiti *[Nassau Radio]* 12

Haiti

Aristide Spokesman: Cedras Must Choose Exile or Amnesty *[Port-au-Prince Radio]* 13
Aristide Spokesman Rules Out Amnesty *[Paris Radio]* 13
Cedras Not To Leave After 15 Oct Resignation *[Port-au-Prince Radio]* 13
Pro-Aristide Leader Criticizes Accord With U.S. *[Port-au-Prince Radio]* 14
Provisional President Meets Anti-Aristide Legislators *[Port-au-Prince Radio]* 14
De Facto Ministers Discuss Elections, Amnesty *[Port-au-Prince Radio]* 14
U.S. Forces Continue Deployment Without Incident *[Port-au-Prince Radio]* 14
Colonel Views Cooperation With U.S. Forces *[Port-au-Prince Radio]* 14
Co-Occupation of Camps Discussed *[Port-au-Prince Radio]* 15
Army Spokesman Denies Artillery Corps Dismantled *[Madrid EFE]* 15
U.S. Presence Said 'Cooperation,' Not 'Intervention' *[Port-au-Prince Radio]* 16

U.S. Official Cited on Military Police's Purpose *[Port-au-Prince Radio]* 16
U.S. Forces Reportedly To Reinforce Medical Infrastructure *[Port-au-Prince Radio]* 16

Jamaica

Prime Minister: Government To Review Land Policies *[Castries TV]* 16

MEXICO

Foreign Secretariat Rejects San Diego Anti-Migrant Measure *[Mexico City TV]* 18
Foreign Secretary Comments *[Mexico City Radio]* 18
Deputy Assails U.S. Moves Against Undocumented Workers *[Mexico City Radio]* 18
'Experts' Propose Interim Chiapas Government *[EL FINANCIERO 21 Sep]* 19
Soldiers Deployed To Combat Drug Trafficking in Guerrero *[EL NORTE 21 Sep]* 20
Pemex Director: Refinery Deal With Cuba 'Strategic' *[Mexico City TV]* 20

CENTRAL AMERICA

Guatemala

President Announces Measures To Curb Spending *[SIGLO VEINTIUNO 20 Sep]* 21
Reaffirms Determination To Cut Spending *[PRENSA LIBRE 21 Sep]* 21
Peace Commission President Interviewed *[Guatemala City TV]* 21

Honduras

Reina Deploys Military To Combat Crime Wave *[TIEMPO 22 Sep]* 26

SOUTH AMERICA

Argentina

Menem on Military Salaries Issue, Armed Forces *[TELAM]* 27
Army Chief of Staff Meets Menem, Denies 'Unease' *[TELAM]* 27
Defense Minister Discusses Military Salaries *[NOTICIAS ARGENTINAS]* 27

Bolivia

President Reports 'Commitment' of Police for Haiti *[HOY 16 Sep]* 27
Further on Decision Regarding Haiti *[LOS TIEMPOS 16 Sep]* 28
COB, Government Sign 45-Point Agreement *[La Paz TV]* 28

Brazil

Poll: Cardoso Lead Decreasing; Runoff Possible *[O ESTADO DE SAO PAULO 22 Sep]* 28
Ibope Poll: Cardoso Leads With 45 Percent *[Rio de Janeiro TV]* 29
PC Denies Giving Money to Cardoso's Running Mate *[AGENCIA ESTADO]* 29
Finance Secretary Fritsch Interviewed *[O ESTADO DE SAO PAULO 19 Sep]* 30
Antinarcotics Operation Tocaia Described *[Rio de Janeiro TV]* 31
Judge Opposes Nuclear Waste Dump in Minas Gerais *[AGENCIA ESTADO]* 32

Chile

Microphone Found Under RN President's Desk *[Santiago TV]* 33

Colombia

Guerrillas Fire on Helicopter Carrying U.S. Officials *[Hamburg DPA]* 33
FARC Front Blamed for Attack *[Santa Fe de Bogota TV]* 33
Police Capture 2 Suspects Linked to Pablo Escobar *[EL ESPECTADOR 17 Sep]* 34

Government To Honor Agreements With Medellin Cartel Members *[Santa Fe de Bogota TV]* 34
Samper Calls U.S. Regulations on Roses 'Mistake' *[EL ESPECTADOR 17 Sep]* 35

Ecuador

President's Economic Reforms Analyzed *[VISTAZO 4 Aug]* 35
Private Enterprise Sees 'Positive' Results *[HOY 12 Aug]* 38
Education Minister Resigns Over Religious Education *[NOTIMEX]* 39

Peru

Ministry Comments on DEA Helicopter Incident *[Madrid EFE]* 40
Chilean Diplomacy on Lima Convention Viewed *[EL COMERCIO 2 Sep]* 40
Poll Shows 47.4 Percent Prefer Fujimori *[LA REPUBLICA 4 Sep]* 41
Perez de Cuellar Announces Candidacy *[Lima TV]* 41

Uruguay

Lacalle, Abreu Comment on Haiti, Cuba *[BRECHA 16 Sep]* 42
Editorial on U.S. Motives for Haitian Invasion *[EL OBSERVADOR ECONOMICO 20 Sep]* 42
Last Uruguayan UN Peacekeeper Released in Liberia
[EL OBSERVADOR ECONOMICO 19 Sep] 43

Venezuela

Government To Accept Up to 8,000 Cuban Rafters *[Caracas Radio]* 43
Minister Expects Positive Response on Extradition *[Caracas Radio]* 43
Minister Declares Health Workers Strike 'Illegal' *[Caracas Radio]* 43
Senate Strips Former President of Immunity *[Caracas Radio]* 45

South Atlantic Countries Hold Meeting in Brasilia

Di Tella Urges Nuclear-Free Zone

PY2209190994 Madrid EFE in Spanish 2005 GMT 21 Sep 94

[Text] Brasilia, 21 Sep (EFE)—Argentina's Foreign Minister Guido Di Tella said in Brasilia today that he hopes the Malvinas Islands—under Great Britain's control but claimed by Argentina—and the South Atlantic as a whole will become a zone free of nuclear weapons.

Di Tella urged ministers and representatives of the 24 South Atlantic Peace and Cooperation Zone member countries participating in a two-day meeting in Brasilia "to solemnly declare the South Atlantic an area free of nuclear weapons."

The Argentine foreign minister said: Argentina will choose "practical approaches with concrete meaning" as long as we cannot agree on a lasting solution with Great Britain regarding Argentina's sovereign rights on the Malvinas, South Georgia, and South Sandwich Islands and waters surrounding them.

Di Tella added: This position will supersede "pronouncements which perhaps were justified in the past." He was referring to a previous Argentine position on its territorial claim that was more belligerent.

The meeting is attended by delegates of nations with South Atlantic coasts: In Latin America, Argentina, Brazil, and Uruguay; in Africa, 21 countries, including South Africa, Angola, Gabon, Equatorial Guinea, Nigeria, Senegal, and Zaire.

During the opening ceremony Brazilian Foreign Minister Celso Amorim, the meeting's president, proposed that representatives formally accept South Africa into the organization. South Africa's participation in the organization, created in 1986, had been vetoed because of the existence in that country of a regime that practiced racial discrimination.

Amorim, a career diplomat of 52 years of age, said the end of the regime that practiced racial discrimination became "a victory for humanity" and greeted the South African delegation, headed by Bantubonke Harrington Holomisa, environment and tourism vice minister.

The Argentine foreign minister proposed negotiations between the 24 South Atlantic member countries and nations that have nuclear ships and weapons aimed at banning their passage through the region.

"Several countries travel through the region with their nuclear-powered ships. These countries, besides having nuclear technology, do not report the passage of their ships through the South Atlantic or the nuclear devises their ships carry." Di Tella told EFE.

Asked about the possibility of Great Britain having nuclear weapons in the Malvinas Islands, Di Tella said: "As far as we know, they do not."

During his speech before ministers and delegates of the Third Meeting of the South Atlantic Peace and Cooperation Zone Member Countries, Di Tella stressed the importance of the Tlatelolco Treaty banning nuclear weapons from Latin America.

With this instrument Latin America will be free of nuclear weapons. "We are definitively moving away from the threat of arm races in our region after many years during which that risk existed," the minister said.

Tomorrow, representatives of the 24 countries will sign a declaration containing guidelines for action and other documents on marine environment, the ban on nuclear weapons in the South Atlantic, and a proposal on entrepreneurial cooperation.

The Brazilian foreign minister discussed the need for cooperation between the Common Market of the South (Mercosur), the Community for the Development of Meridional Africa (SADC), and the Economic Commission for West African States.

Amorim stressed the importance of other forums formed by various members of the South Atlantic Peace and Cooperation Zone: the Community of Portuguese Speaking Countries, comprising Brazil, Angola, Cape Verde, Guinea-Bissau, Mozambique, Sao Tome and Principe, and Portugal.

Amorim called for an end to the war in Angola, which according to him "is a terrible conflict with truly scandalous levels of death and mutilation."

South Atlantic Ministers Sign Accords

PY2309010294 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 22 Sep 94

[Text] Representatives of member countries of the South Atlantic Peace and Cooperation Zone today signed in Brasilia a declaration stating that the South Atlantic region should be free of nuclear weapons. They also reaffirmed their commitment to ban nuclear tests in the region.

Two other agreements were signed during the meeting. The first envisages the establishment of cooperation mechanisms and an exchange of information in the area of entrepreneurial activities. The second provides for actions to protect the sea environment.

The documents were signed at the third meeting of member states of the South Atlantic Peace and Cooperation Zone, which consists of 24 countries, including South Africa which had been excluded earlier for political reasons; that is, the rejection of the former South African regime because it advocated racial discrimination.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

President Itamar Franco today met with the foreign ministers who attended the third South Atlantic Peace and Cooperation conference. Franco emphasized the significance of the documents that will help to promoting progress in the region. He said:

[Begin Franco recording] The signing in Brasilia of significant documents that set guidelines for the protection of the sea environment; a declaration on the denuclearization of the South Atlantic; and the establishment of commitments to promote and develop trade ties among South Atlantic countries, herald a promising future for the South Atlantic community. [end recording]

The 24 foreign ministers of South Atlantic countries met in Brasilia and the highlight was South Africa's admission, which had been excluded for political reasons.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

OAS Official: OAS Best Forum for Haiti Crisis

PA2309015094 Madrid EFE in Spanish 2140 GMT 22 Sep 94

[Text] Caracas, 22 Sep (EFE)—Carlos Carbacho, OAS Secretariat General director in Venezuela, today said this Inter-American organization is the best forum for resolving the Haitian crisis, and he added that the continent should cooperate in Haiti's economic recovery.

Carbacho agreed with Venezuelan Foreign Minister Miguel Angel Burelli's remarks, saying the $580 million that Haiti's military occupation will cost the United States should be used to finance a development plan for the country.

Nevertheless, the OAS legal representative in Venezuela declined to give an opinion on the way U.S. President Bill Clinton has dealt with the crisis. Carbacho said the OAS position will be announced during the Permanent Council's upcoming meeting with new Secretary General Cesar Gaviria.

Carbacho said: "Haiti's true problem is that the country must be given an infrastructure it currently does not have. We are used to thinking in terms of countries that are already functioning, and we tend to overlook the fact that a society different from what we know as a democracy has been created in Haiti."

Chemical Weapons Convention Seminar Ends

PY2209193494 Lima EL COMERCIO in Spanish 5 Sep 94 p A8

[Text] Representatives from 18 Latin American and Caribbean countries have agreed that the implementation in their countries of the Convention on Chemical Weapons (CAQ) will include measures and activities that will be carried out by their chemical industries in order to minimize any type of consequences that could affect productive activities.

This point is contained in a "final declaration" that was signed on 3 September during the closing ceremony of the "Regional Seminar on the National Implementation of the Convention on Chemical Weapons" that was held at the headquarters of the National Industries Society.

The representatives also agreed to support the efforts of the region's business associations "with the intention of promoting their active participation in the preparatory process."

In their condition as countries that do not possess chemical weapons, the representatives also agreed to promote the exchange of chemical substances, equipment, and scientific and technological information regarding the development and the application of chemistry for non-aggressive purposes.

The representatives of Argentina, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Paraguay, Peru, the Dominican Republic, Uruguay, and Venezuela signed the document.

Foreign Ministry spokespersons highlighted the participation of Ian Kenyon, executive secretary of the Organization for the Banning of Chemical Weapons.

It has been emphasized that the CAQ Convention "is the first multilaterally negotiated instrument on disarmament that establishes the elimination under international control of a whole category of weapons of massive destruction, and it also creates a mechanism for the supervision of the commercialization of chemicals."

In addition, this mechanism "is of interest to our countries in view of the consequences that it could have on the commercial flow of raw materials in the chemical industry, including the manufacture of medicines and cosmetics."

From the date that it was opened for signing, 13 January 1993, the CAQ Convention has been signed by more than 157 countries, including Peru.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Cuba

Raul Castro Comments on Farmers Markets

FL2209175994 Havana Tele Rebelde Network in Spanish 0200 GMT 22 Sep 94

[Speech by Army General Raul Castro Ruz, second secretary of the Central Committee of the Communist Party of Cuba, at a national seminar on farmers markets at the Nico Lopez school in Havana; date not given—recorded]

[Text] [monitored in progress] ...The comrades of the work groups, headed by the two ministers, Comrades Jordan and Vila, and other comrades from the two ministries, as well as the comrades from the National Association of Small Farmers [ANAP] did an excellent job in debating this issue both day and night. This was the first thing that I wanted to mention.

The second thing that I wanted to mention has to do with what the minister of agriculture was saying yesterday. This decision is not a magic potion to increase production, but another option according to our current possibilities. We cannot expect an immediate reactivation in production, which will be determined, among other factors, by an increase in the use of the land and the availability of resources. [Words indistinct] miracles, this is solved with production.

We have already been informed...[changes thought] I have received some information on the fairs that have been held and I hope to receive more within the next few days, and even though these were only held one day, I am sure that there are going to be more products. When the market is established, more products will appear legally. They will be sold at prices lower than those of the black market. But the problem is only solved with production. Later on he pointed out—and this is the same thing that the commander in chief pointed out during the final meeting when this document was approved—that we must stimulate the use of all unused land by the established means, through parcels which already have been established and through other means. Whoever has the land. We must stimulate the efficient use of the land that is not being cultivated, which is a lot.

In the paragraph I am referring to the minister says he authorization to participate in the farmers market is given based on the fulfillment of the producer's commitment to the people's consumption. In other words, the products that are sold at official prices. This includes hospitals, schools, day care centers, retirement homes and other commitments to the state. Of course, we must give special attention to the large cities, especially the capital of the republic.

We, especially you who are closer to the base where this legislation needs to be carried out, are responsible for taking care of and for systematically controlling the fulfillment of all these things. You are also responsible for the motivation and proper operation of this market, which will be achieved with greater production and the proper collection. Can we say this?

Yesterday you had the opportunity to clear up any doubts on the matter. I am sure that you will have more questions. Life will determine what measures we have to take. One of the final provisions of the decree empowers both ministers to take measures. They in turn will empower the provinces and municipalities to take the measures that are necessary. They will also empower the administrative councils and other entities involved in this activity, because the country is not uniform. We do not have two similar municipalities, let alone two similar provinces. This makes the decree flexible. We do not need the Executive Committee of the Council of Ministers to issue a decree every time we make a change. In other words, in an orderly manner, we can make use of that flexibility, which means that you, at the provincial and municipal level, must be creative.

The joint resolution itself states that the products that do not have access to the market, such as coffee, cocoa, rice produced at the agroindustrial complexes or the rice produced by each farmer, the cattle and the various kinds of cattle, can at certain times of the year and in certain parts of the country have access to the markets. I believe we will do it.

I believe we must congratulate the ANAP through its president Comrade Orlando Lugo Fonte on this day. I want to thank you on behalf of the government and the revolution, for the efforts that you make to increase the reserves, according to your possibilities, and to maintaining them. At some other time we may have to take them to the farmers markets, but they must be replaced. Right? At least keep rotating them.

Comrade Lugo mentioned the support given to us by the peasants. They committed themselves to this work during the congress celebrated during the war for our freedom. Not too long ago I went by there and I visited them, these peasants who are still alive and their descendants. I am talking about the thousands of peasants who supported us and undertook the responsibility of supporting of the rebel army. To them, once again, we express our appreciation.

I believe Comrade Lugo left something out. The commitments made by the revolution through that congress and through other meetings held by the commander in chief in the Sierra Maestra with the peasants. Through the remarks made by the commander in chief on different occasions during the war, I ask that you tell the peasants that the revolution and the rebel army met and exceeded all the commitments made and that now we expect them to meet and exceed their commitments to our people. Thank you very much. [applause]

We will see each other again when we have the results in hand. I hope we accumulate enough experience so that millimeter by millimeter we can advance on this, which is one of the main tasks of the revolution. I am sure that

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

if we systematically develop this program and if we intelligently apply this legislation, which has been approved, and the current resolution—as well as those that will be issued by the Ministers of Agriculture and Domestic Trade in the future—then I am sure that we will be able to increase our agricultural-livestock production. We will be stimulating production through the law of supply and demand.

There will be protests with regard to the prices at a certain point when the money supply decreases. I can say that we have already taken more than 1 billion pesos out of circulation. I am talking about 1 billion pesos. Naturally cigarettes and rum play a fundamental role in this. Money will be scarce and taxes will have to be paid. Consumers will feel the need to work more. But we must be intelligent, systematic, observant, audacious, and flexible. We must be creative according to the characteristics of the area and not try to implement something on the national level. As the decree says and as I pointed out just a moment ago: the two ministers are empowered to make the measures more flexible according to the province, the characteristics, the time of the year, etc. All this will depend on the interest we have in this task, regardless of what happens.

In these last two months many events have taken place but we have continued working. I hope the same thing that has occurred in the past—that when we are faced with a problem we turn to one thing and abandon another—does not reoccur. We must fight a simultaneous battle. This was something the commander in chief spoke about in the sixties: the simultaneous battles. Today, we have much more experience and we have a situation that compels us even more, and that is the special period we are experiencing.

I have great hopes. I want to leave here knowing that you too will work hard. You will always have our support. [applause]

Markets Reportedly Yield Positive Results

PA2209165494 Havana PRENSA LATINA in Spanish 0357 GMT 22 Sep 94

[Report by Elsy Fors]

[Text] Havana, 22 Sep (PL)—Participation by state firms, cooperatives, and small farmers in the new, experimental farmers markets tests conducted in several Cuban cities resulted in lower prices and satisfied consumers.

According to agricultural leaders in the central provinces of Ciego de Avila, Sancti Spiritus, and Villa Clara—who have been meeting here for the past two days, to give the final touches to the new agriculture produce retail system—the market terms are also attractive to sellers who came in large groups.

Just in the city of Ciego de Avila, the open sales netted 2 million pesos (equivalent to dollars at the official exchange rate) on 17 and 18 September.

The farmers markets radically change the distribution of produce to the population. Until now, the Cubans had a sparse but cheap state supply of produce and an underground market alternative that offers produce at prices that are too high for most Cubans whose average monthly wage is 180 pesos.

Until recently, a pound of rice sold on Havana's black market for up to 45 or 50 pesos, and pork went for 70 pesos or 70 cents of a dollar, a currency that was depenalized in September 1993.

In sales made in the interior of the country over last weekend, a pound of rice, which had an initial price of 10 pesos, ended at six to eight pesos at the close of business. Pork fell from 30 to 15 pesos per pound.

Regulations for the farmers markets, which were published on Wednesday, condition access to producers who have previously complied with their delivery obligations to the state.

There are also limitations on those state farms or cooperatives specializing in crops like tobacco, coffee, citrus fruit, cacao, pork, or poultry. They will not be able to take their main produce to the farmers markets but can take produce not included in the program.

Bulk produce that exceeds state requisitions will also have to be sold to the state but at farmers markets prices.

But the government's flexible implementation of those measures, according to explanations by Raul Castro, Cuban first vice president and army general, will grant specialized farmers access to the farmers markets at a set time of the year or based on the specific characteristics of an area.

Agriculture Minister Alfredo Jordan reported that the country's production of tubers and vegetables this year is estimated at 20 million metric quintals, against the 33 million produced in 1991. But he did admit that there is hidden production that the state does not control.

The procedures for selling produce attempts to motivate farmers and even encourage access to big cities like Havana and Santiago de Cuba, where farmers will only have to pay a 5 percent tax on income, in addition to renting space, stalls, and other commercial services.

On Wednesday, Army General Raul Castro called for breaking norms and applying the law of supply and demand, which he asserted will lead to the desired increase in food production.

The second secretary of the Communist Party reiterated ideas expressed in an interview published last Monday on this sector's strategy and asserted that the farmers markets system based on economic and financial self-management "cannot fail."

The farmers markets created by Decree 191, is different from the previous peasants' free markets, which operated during the 1980's, in that all farmers, including state

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

farmers, will be able to participate while its predecessor only granted access to private farmers.

Another difference is that the current market will allow farmers' representatives to make the sales and that the previous one did not allow intermediaries.

Raul Castro said that we have to utilize all of the lands that are not being cultivated today, regardless of their owners, and there are many, he stated.

He warned, however, that authorities will not be too idealistic or think that farmers markets will be a magical solution that will resolve all problems.

There will be misunderstandings and violations of the new regulation, but to deal with this, he called on all forces to unite and support the new measures in an integral and flexible manner.

Speaking about the excess cash that will be collected with the creation of the farmers markets, Raul Castro said that even though the measure has not yet been implemented, the increase in the price of certain products, such as alcoholic beverages, cigarettes, and tobacco, have removed about 1 billion pesos from circulation.

Anticipated Effects of Farmers Markets Viewed

FL2209165094 Havana Radio Rebelde Network in Spanish 1155 GMT 22 Sep 94

["Our Opinion" commentary by Ariel Larramendi Villafane; from the "Doing Radio" program]

[Text] Good morning. It has been announced that beginning on 1 October the farmers market will be gradually implemented throughout the entire country. The thought to keep in mind in about this parallel market is that it contributes to gradually complete our population's nutritional diet under our current conditions.

One thing that becomes salient in this entire process is that the products, all agricultural, will be taken to the market after complying with the coordinated plan of deliveries to the state. It is the same; this farmers market constitutes a complimentary option to that which should be found in the district market places [plazitas] and the state agricultural markets [agromercados estatal] via the state collection agencies, which, we think, should be reformed. This is how we see it and we acknowledge it; it was necessary. But I repeat, the products traded through supply and demand will be, to their extent, the percentage that is established after supplying contracted amounts to the state collection agencies. It would be detrimental if we could not find products in the district market places or in the state agricultural markets that were available at free market prices, undoubtedly higher, at locations set up for the parallel market.

We were saying at the beginning that these farmers markets will contribute to an eventually complete nutritional diet for the people but, I think in its initial stage the supply will not as abundant as we all want it to be and, in general, it will depend on the enthusiasm level of the agricultural producers. That is to say, the revenues that those who participate in the farmers market obtain, after paying their debts and taxes, should yield a positive balance entry in objects of use and consumption that at the same time satisfies the diverse needs of the producers. Nothing will be gained in the short run if those certain producers enrich themselves in the present era of devaluation and have to stockpile their money because of shortages of other supplies they need. Overcome these problems and, after a certain necessary adjustment period, we think that there will be more food on everyone's table. That is what it's all about.

'Straight Talk' Views Farmers Markets

FL2209161394 Havana Radio Rebelde Network in Spanish 1600 GMT 21 Sep 94

["Straight Talk" program with host Osvaldo Rodriguez and reporter Fernando Davalos]

[Text] [Rodriguez] Davalos, we have just seen this morning the joint resolution.... [changes thought] the Council of State's resolution authorizing the creation of farmers markets. This is a result of the joint efforts of the of agriculture and domestic trade ministries. As our listeners no doubt are aware, the farmers markets will be made up of all of Cuba's state and private farmers in a market in which the basic aspect governing prices will be supply and demand. I invite you to analyze this issue. I believe you made some very important comments while we spoke, before the program got underway, and I think that we should share them with our listeners.

[Davalos] First of all, I am sure that now that the ministry has informed about the regulations governing the farmers markets, today everyone is talking about it in Cuba. Therefore, "Straight Talk" could not do less.

[Rodriguez] What I have heard on the streets is that the population accepts the farmers markets.

[Davalos] I would not only say today, I would say that this thing was already underway, since Raul mentioned it in his interview with Luis Baez.

[Rodriguez, interrupting] I would go even further. Let us talk straight and say that some were already aware of this. It was being commented on and discussed by the people. There was talk about a way that would allow the realignment of the commercialization methods for agricultural products. You know just how curious we Cubans are, and we always find out about everything. This issue was already being commented on then. It seems that it was being discussed with many people and the possibility of creating this market made those people somewhat happy, even back then.

[Davalos] Yes, that is right. I think that there was also some impatience. Today, GRANMA publishes the legal instruments behind the issue. I believe that it is interesting to point out that this demonstrates the will of our

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

government and the heads of the Communist Party of Cuba to implement.... [changes thought] take forward this measure, this decision. This is not something that has happened spontaneously or that has come via mail from another country. No, this is something that has been studied and considered deeply before being implemented....

[Rodriguez, interrupting] And something that has been debated at length.

[Davalos] Yes, very much so. It has been debated at length because there are always well intentioned people that have there own opinion. However, it seems that in Cuba's current situation a measure of this type was necessary. The will to take this forward, has today become a reality.

[Rodriguez] Yes, of course. Davalos, I think that this is not something extraordinary, it is quite simply something consequential to what had already been done with self-employed workers. I think that it will allow us to continue with what some specialists call the liberalization of the domestic market, which is nothing more than stimulating all types of production, through its unrestrained commercialization, which is how it is done with the self employed.

[Davalos] Exactly, I believe that this issue of farmers markets will be on today's program and on many more programs, as well. There is much to think about and the experience should give us new ideas. The measure has already been modified compared to the first version we had several years ago. For example, there is something very interesting, the presences of all producers. Farmers will not be the only ones present, all producers will be present. There is one detail, a very important requisite, they will be able to participate once their monthly contract, their contract with the state has been fulfilled. If that type of regulation had not been implemented I have no doubt that there would be people that would quit contributing to the state's collection sites and to their agreements with the state. Those agreements that serve to supply hospitals and social assistance systems, they would take things directly to the farmers market. The importance of this requisite is based on that. The farmers market has been conceived with this requisite already implemented. They can participate after they satisfy the state.

[Rodriguez] Also, if they do not satisfy the state and they have gone to sell at the farmers market, the decree says that they will be fined an amount corresponding to the unfulfilled contract calculated at the highest current price established at the farmers market. I believe that the producers will be motivated to produce as much as they can and at the same time they will be motivated to fulfill their contracts with the state. I think that this decree is fair and square.

[Davalos] Yes, we must wait and see how it develops and be focused on the issue. One of the things that we could cite about the first experience with the farmers markets, which took place in 1980, was that its development was far too spontaneous.

[Rodriguez] Davalos, I think that many listeners are saying right now: Damn, every time there is something new, we are told it is the best! I think we should anticipate those remarks, which I think are correct, because we always rave about the last thing that comes around and later when it does not work we simply take a 180 degree turn and throw it out. These farmers markets have their origins in the peasant's free market [mercado libre campesino]. I think that the spirit that motivates the farmers markets is the same that was behind those, a free participation of producers, with the difference that now the state will participate and the state, as a large producer, can control and set prices in this supply and demand system. It can also participate with the largest volume of production, therefore, we cannot say that this is going to be something marvelous. I think that these differences do not.... [changes thought] perhaps, will not prevent problems appearing like they did before. I invite you to analyze what problems might appear in these farmers markets and, in doing so, point out these problems to those that are going to work at the markets and to the people, who are going to be the ones affected if this idea is aborted.

[Davalos] Look, I concluded what I said before with the word spontaneous. I am not against things that happen normally and logically. Remember the 1980 experience? It was just by coincidence that the zoo's elephants were not sold.

[Rodriguez, interrupting] No, because they were at the zoo at the time.

[Davalos] And because they were tied down. Back then they were even selling car parts and other types of illegal transactions were taking place. What I mean is, back then it developed on its own. It was detrimental to the population, not concerning prices—I am not afraid of prices because supply and demand is what is going to set prices. Prices are not going to be set through state regulations or anything like that, but what we must avoid this time is certain deviations that took place back then. Those deviations transformed what was perhaps a good idea into something that had to be suspended. That is something we owe to our own oversight. To our oversight.

[Rodriguez] Our oversight? Your oversight?

[Davalos] I think that the oversight was made by our authorities.

[Rodriguez, interrupting] Oh, our authorities.

[Davalos] And of those that in one or another.... [changes thought] I think that the press also had some responsibility, why not say it. I think that now we should be very watchful of this new experience. We must be very alert when problems do arise.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

[Rodriguez] I totally agree with you. I think that from the first day the press' objective eye should be alert to any deviations this new born child might suffer.

[Davalos] Yes, I think that the authorities, state agencies, and people's councils at all levels are obligated to do so. It is within their realm of work to be very watchful of this experience. I think that it is a good experience. I suppose that I could say that this is not marvelous, but it is something good. It satisfies expectations. Why ruin it by allowing it to walk on its own? That is what happened in the peasant's free markets in 1980.

[Rodriguez] There is talk of supply and demand. That means that the price is agreed between seller and buyer. Do you think that prices are going to be high?

[Davalos] No, I think that due precisely to the supply and demand system there will be larger participation. Through this participation a phenomenon of price reduction should occur. This means that producers will be stimulated because they sell more, therefore, there will be more producers. It is an economic problem.

[Rodriguez, interrupting] And more production as well.

[Davalos] More production and producers. Once there is more production the supply will be greater, once the supply is greater prices should slowly drop. Now, I have no doubt that there will be outrageous prices. I am sure that.... [changes thought] well they are black market prices, that despicable black market, that sometimes we hear about...

[Rodriguez, interrupting] Yes, there is one thing with the black market, it is something covert, therefore, covert prices are paid.

[Davalos] Yes, there are two things that occur there, thievery and speculation.

[Rodriguez] Our comrade Wilfredo Pena was just saying that prices should have a ceiling price at the farmers markets. I think a lot of people have the same opinion. This is an issue that affects everyone's pocket, therefore, a lot of people consider that is what should be done. Davalos, I invite you to analyze the pricing phenomenon, no doubt the issue hardest to understand. What is the supply and demand system and why implement it?

[Davalos] The supply and demand system is an objective problem. You could go to the market with the intention of paying less but the market fixes prices according to what you demand and what is supplied....

[Rodriguez, interrupting] Spontaneously.

[Davalos] In a spontaneous manner. If we place a ceiling price at the farmers markets, let's say you cannot sell rice for more than 10 pesos, people will then say okay, I will sell it at that price in the market....

[Rodriguez, interrupting] I am going to start thinking that you have something to do with these measures because you are always saying, we. We, we, and we: Do you have anything to do with this measure?

[Davalos] No. Well, in a certain manner I do. We are part of the social framework that has to do with the measure. In any case, I do not want to lose track of what I was saying. If we implement a ceiling price at the farmers markets and say that rice cannot be sold over a certain price, the market... [changes thought] the bartering will take place outside the market. The amount of what is supplied and demanded by the people is what determines, for example, that the pound of rice costs 11 pesos. If you want to implement a price of six, you could implement six, but outside they are going to be selling it at 11.

[Rodriguez] As a consumer I will also be affected by high prices. However, when you analyze this, perhaps the state should not implement a ceiling price but state producers can and should be the ones setting prices because they are the largest producers. In any market the largest producer sets the price. That is how dumping takes place.

[Davalos] That is the influence large producers have, a percentage composition problem. Right here I have a list of the participation in the markets and do not think that the state's participation is very big. The state farms and enterprises, how many.... [changes thought] Cuban agriculture is largely cooperatives. The Basic Cooperative Production Units and the Agricultural-Livestock Cooperatives are cooperatives. The Youth Labor Army farmers are not the majority. Today, you cannot see a majority that can impose its conditions, meaning imposing its prices. We have to wait and see. That is why I say that this experience has to be watched. I do not think that the.... [changes thought] If the state was to flood the farmers market with the rice production from the large rice complexes, that would be another story.

[Rodriguez] The thing is that the state is a large producer in certain sectors, for example rice. However, I would say in pork too. The largest pork producer is the state [El estado es el mayor productor de cerdos].

[Davalos] Yes, but the state is not going to take that production to the farmers markets because they have contracts with the processing plants and the slaughterhouses and will not....

[Rodriguez, interrupting] Why not? Why not take it to the farmers market?

[Davalos] Because there is a procedure in economy....

[Rodriguez, interrupting] Yes there is a procedure but after they comply with their contracts with the state why not take a certain amount of pork to the market?

[Davalos] I think that the experience gets underway now. I do not believe that it will lead to breaking those contracts between a pork producer and a slaughterhouse.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

[Rodriguez] It is clear that the contracts will not be broken because the decree also makes mention of this. But....

[Davalos, interrupting] Well then, where would a planned economy go then?

[Rodriguez] I believe that we should continue with this subject tomorrow because time is up for today. Thank you, Fernando Davalos.

Envoy to Italy Views Haiti, Rafters, Embargo

BR220912489 Rome L'UNITA in Italian 22 Sep 94 p 16

[Interview with Ambassador to Italy Mario Rodriguez by Fabio Luppino in Rome; date not given: "Another Cuba Without the Embargo"—first paragraph is L'UNITA introduction]

[Text] It all seems so strange to us: to hear talk of democracy without any parties, of a revolution that still has a long way to go. And of Fidel Castro, who has been in power for 35 years, as the man of the future, as if it were an undisputed fact that you can and should remain in power for all this time without causing any distortions in even the most lubricated of systems. Cuban Ambassador to Italy Mario Rodriguez, 53, outlines a scene where anything is not only possible but necessary. However he makes it understood that the revolution would have taken a completely different path had there been no embargo by the United States. And with an unfailing conviction: Thanks to Fidel Castro, Cuba was able to sit on an equal footing at the negotiations table with the American delegates and talk about the problems of the "balseros" [boat people]. This was not so for many other countries in Central America. Starting with Haiti.

[Luppino] Until Sunday [18 September] there was a danger that the island of Haiti would be invaded. What do you think about this new crisis in the Caribbean? Was the Cuban Government warned beforehand by the United States about the imminent invasion?

[Rodriguez] I do not know if this information was given. Military intervention, however, is never and under no circumstances acceptable. Haiti is a neighboring country and we are logically very concerned. The political solution is the path to take: Military intervention is not a solution for Haiti nor for any other country. It is much better trying to reach an accord without using weapons.

[Luppino] Fidel Castro has always claimed the right-duty of noninterference in the internal affairs of other countries but the "balseros" crisis was resolved only because the United States took up a problem that was Cuban...

[Rodriguez] A reasonable accord was reached, but where immigration is concerned this is not interference. For the first time we sat at a negotiating table on an equal footing. For the first time there was a certain degree of rationality. The U.S. migration policy has changed: The selective treatment that in effect sanctioned protection from clandestine Cuban immigrants and the incentive to adopt this type of choice for many years is over. The U.S. selective policy was based on a very high degree of ideology about Cuba. This is now over.

[Luppino] But why are the Cubans fleeing from Cuba?

[Rodriguez] We are the first ones to be against this form of fleeing, but our economic situation is causing this to happen. The United States did the rest over these past 30 years. The economic embargo is the primary cause for all of this.

[Luppino] Are 30,000 Cubans fleeing only because they are fascinated by the dollar?

[Rodriguez] For 35 years we have been unable to carry out even the smallest business transaction and this has worsened over the past few years.

[Luppino] The embargo, you say, has been choking the Cuban economy. How many countries, apart from the United States, are complying with the economic embargo?

[Rodriguez] This is not a formal problem. Two UN resolutions, one in 1992 and the other in 1993, condemned the embargo. Despite this, none of the two was applied. We would not be surprised if U.S. Government officials were putting pressure on the other countries not to apply both resolutions.

[Luppino] [French President] Mitterrand has stated that the embargo is useless and dangerous. Is France trading with Cuba?

[Rodriguez] Yes, but they cannot have a completely open trade. We have now established an investment accord with the United Kingdom, signed in Havana with the British prime minister. Spain is against the embargo, as are other countries. The embargo is the last resistance that the Cold War is imposing upon Cuba.

[Luppino] Is Italy respecting the embargo?

[Rodriguez] One cannot say that it is respecting the economic embargo, but it did not pronounce itself in favor of ending the embargo at the United Nations.

[Luppino] American Secretary of State Warren Christopher has said: "We will not be indifferent to significant political signs from Cuba." Have you asked yourselves what Christopher expects from Fidel Castro?

[Rodriguez] He has not specified what he expects. We make important political choices, not for the United States but for the world. Sitting at a table with them at a time when it seemed that everything was collapsing is, I think, a demonstration of the political intelligence and earnestness of my government. Despite the economic crisis in our country conditions are not bad. However,

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

they can be improved, be it under different conditions. I do not consider the existence of 40 parties an indication of increased democracy.

[Luppino] Are free presidential elections with opposing candidates possible in Cuba?

[Rodriguez] I can imagine a future with a solid economy and perhaps then we can pose ourselves this question, but not for the time being. If I were to say something different it would be a lie because we would be giving up the organization that supported Cuba. Many countries in Latin America see the possibility of a future pluralism in our work because we represent the only example of differentiation in the area.

[Luppino] Many commentators from capitalist countries are saying: the Cuban revolution has failed, all the communist regimes fell after 1989, but the "Cuban" anomaly remains. What is your reply to these people?

[Rodriguez] There are commentators who would have never wanted a revolution to take place, others who got tired and went to look for a cemetery in which to die as elephants do. Others yet do not know what political and social process is under way in my country. I say that revolutions and revolutionary ideas do not age, it is the men who lead them that age. We are still a young generation. It was not the Soviet armored tanks that were responsible for the Cuban revolution, it was we Cubans with our intelligence and all our value. It is founded upon something that is sacred to us: the independence and sovereignty that we gained over 35 years of battles. It is only because of this that the Cuban revolution is still standing.

Laotian Foreign Minister Arrives for Visit

PA2209122094 Havana PRENSA LATINA in Spanish 2227 GMT 21 Sep 94

[Text] Havana, 21 Sep (PL)—Somsavat Lengsavat, minister of foreign affairs in the Lao People's Democratic Republic, arrived today in Havana at the invitation of his Cuban counterpart, Roberto Robaina.

In a statement to the media after being welcomed by Robaina, Lengsavat said that on 4 November Cuba and Laos will celebrate 20 years of very good relations. He defined this as an opportune moment to analyze bilateral cooperation.

Robaina, who visited Laos in April, said that cooperation between the two nations could be broadened to include areas like education, health, technical branches of the sugar industry, tourism, and sports.

PRENSA LATINA learned that during Lengsavat's visit, the first by a Laotian foreign minister since 1981, the two ministries will renew a plan for mutual ministerial cooperation.

Yesterday the official newspaper GRANMA said that the Laotian foreign minister's visit is of an official and friendly nature and will continue to strengthen the traditional ties of friendship and cooperation between the two countries and between the Cuban and Laotian people.

According to the visit's schedule, to which PRENSA LATINA has had access, official talks will be held on 23 September. Following the talks, Lengsavat will hold a news conference and later will meet with Ernesto Melendez, minister president of the state committee for foreign investment and economic cooperation.

In addition, Lengsavat will meet with friendship organizations and with workers from the health sector and from sugarcane cooperatives.

Laos and Cuba have had diplomatic relations since 4 November 1974.

Alarcon: ANPP Delegates Should Exercise People's Power

PA2209225894 Havana PRENSA LATINA in Spanish 2000 GMT 22 Sep 94

[Text] Havana, 22 Sep (PL)—Ricardo Alarcon, president of the National Assembly of the People's Government [ANPP], today said that in dealing with current burning issues, the people's power should be increasingly exercised during the ANPP's next rank and file assembly.

Alarcon said each one of the meetings during which delegates from the 13,000-plus districts deliver reports should be turned into a true opportunity for the people to play an active role in the search for ways to resolve difficulties.

During a news conference at ANPP headquarters, Alarcon said these forums are of the same substance of the Cuban political system and should be increasingly democratic.

He added that in accordance with the Constitution all elected delegates, as is the case with administrative leaders, should be accountable to their electorates.

Alarcon also underscored that President Fidel Castro and Armed Forces Minister Army General Raul Castro had recently called for the use of open discussions to resolve the country's socioeconomic problems, primarily farm production and food.

Meanwhile, ANPP Vice President Jaime Crombet underscored the need to prevent underproduction in just one single farming area, and he raised other issues involving trade, community services, health, and other current priorities.

Crombet mentioned the subjective nature of certain problems, which have added to the considerable harm caused by the U.S. blockade, according to complaints from the island's highest authorities.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

The ANPP's rank and file assemblies will meet between 15 October and 30 November.

Gran Caribe Hotel Group Bids To Attract Tourists

PA2309033694 Havana PRENSA LATINA in Spanish 0345 GMT 22 Sep 94

[Text] Havana, 22 Sep (PL) –Three marketing delegations from the Gran Caribe Hotel Group have signed up more than 40,000 tourists for the winter season, it was announced here today by sources of this Cuban enterprise that owns the majority of the four and five star hotel installations.

Omar Cisneros, promotion and public relations director of the hotel group, told PRENSA LATINA that his recently created company drew up the marketing strategy to select the tour operators who will work with the group.

He noted that three delegations comprising Gran Caribe sales executives and hotel managers recently returned from Canada, Brazil, Spain, and Portugal, where they negotiated contracts for the group's installations in this capital, Varadero, Cayo Largo, and Trinidad.

Cisneros added that five other missions are or will be leaving soon for Mexico, Germany, Austria, England, Italy, Belgium, Switzerland, France, the Netherlands, Argentina, Paraguay, Uruguay, Chile, Colombia, and Venezuela.

Sales executive Mercedes Sanchez, who is in charge of the delegation that travelled to Canada, indicated that about 15,120 vacationers from this nation will come to Cuba between December of this year and April 1995.

She reported that the Canadian tourists prefer the beaches, and therefore the majority of the 1,011 rooms reserved by Canadians correspond to the Ancon Hotels in Trinidad; four hotels in Palmas; Villa Cuba in Varadero; the Pelicano on Isla del Sur; and Isla Capricho in Cayo Largo del Sur.

Large tour operators, such as the International Travel Holding Group, Sunquest, Montroyal Tours, Exosol, Vacances Air Transat, and others in Ontario, Toronto, and Ottawa, were targeted by the Cuban trade mission in Canada, Sanchez indicated.

Ana Cecilia Herrera, who led the mission to Spain and Portugal, indicated that between November 1994 and May 1995, approximately 24,000 tourists will arrive at Gran Caribe installations from those countries.

This number is considerable, taking into account that these vacationers will stay in the hotels that are the exclusive property of Gran Caribe and not in those under joint administration, most of which are Cuban-Spanish joint ventures, Herrera indicated.

Havana and Varadero are the main destinations for tourists from the Iberian Peninsula, the Cuban executive pointed out, adding that tours are used a great deal by the Spanish and Portuguese who visit the island.

Miguel Garcia, a Gran Caribe sales executive who led a delegation to Brazil, said that unlike the two other markets—Canada and Spain—the South American nation's market was totally depressed in terms of utilizing Cuba as a vacation destination.

This is why, he said, we decided to stage a promotion from this month until November, knocking $100 off the airplane ticket price, and, as of 9 October, the weekly Havana-Sao Paulo flight by Cubana de Aviacion will stopover in Rio de Janiero.

Besides, he added, to stimulate the Brazilian market, Gran Caribe will engage in a promotion campaign that includes a ceremony to present the hotel group in this country in early 1995, possibly to be held at the Copacabana Palace Hotel.

The Gran Caribe Hotel Group administers 30 Cuban installations with 6,200 rooms. Eleven of these are joint ventures with tourism organizations from other nations, primarily Spain.

The only Cuban tourist organization that has a top-rated line and that operates abroad is Tropicana-Marbella, on Spain's Costa del Sol.

The group's investments include plans over the next few years for the construction of as many rooms as the group currently operates. In line with these plans, the group has received many offers to create joint ventures and other associations.

Other groups that have begun operating in Cuba since the creation of the Tourism Ministry in April are Horizontes Hotels, which is in charge of three and four star installations, and Isla Azul, among others.

Authorities To Complete Radioisotopes Center by 1995

FL2309112494 Havana Radio Rebelde Network in Spanish 2300 GMT 22 Sep 94

[From the "Exclusive" program]

[Text] Andres Garcia, Cuban Atomic Energy Commission executive secretary, has announced in Vienna that the National Radioisotopes Center will be completed by 1995 as part of Cuba's nuclear development program. The center will satisfy the national demand for isotopes, which are currently used to benefit the nickel, petroleum, sugar, and agriculture industries.

Assembly Prepares Response to Venezuelan Senators' Remarks

FL2309111594 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 23 Sep 94

[From the "NTV" newscast]

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

[Text] The National Assembly of the People's Government's International Affairs Commission prepared a response to the Venezuelan Senate today: The Cuban deputies condemned the Social Christian Party and Democratic Action Party representatives in the Venezeulan Senate who lied about the true causes of the illegal emigration and who designed formulas that denigrate our national dignity. Of the 17 speeches given at the Venezuelan Senate, 11 condemned the illegal blockade against our country, while the other six expressed political considerations that are in line with Miami's ultra-right position. The commission's declaration is addressed to these gentlemen. The commission will make public its official response in the next few hours. The commission was also briefed by Ricardo Alarcon on talks with the United States and listened to his comments on the migratory agreement. Finally, the deputies received information on the Rio Group agreements.

Inter-Caribbean Affairs

Nations Prepare To Help Haiti Economically

FL2309014694 Castries HTS Caribvision Television in English 1945 GMT 22 Sep 94

[From the "Caribbean Evening News" program]

[Text] Caricom [Caribbean Community] police chiefs are to meet in Barbados next week to work out a joint policing effort for Haiti. This will supplement the Caricom army units already getting ready to go on to Haiti. The disclosure was made by Secretary General of Caricom Edwin Carrington on a special television discussion program in Trinidad and Tobago:

[Begin recording] [Correspondent Errol Pilgrim] The Barbados meeting of the Caricom police chiefs is just one element in a program being hammered out by the Caricom countries to help put Haiti on its feet. Another part of the program deals with securing economic aid for this stricken Caribbean country. Towards this end, Caricom will make its (?thrust) at a meeting in Brussels towards the end of this month. Dr. Carrington told last night's panel about these meeting and about other aspects of the assistance package being worked out for Haiti.

[Carrington] One of the immediate things on our agenda is how we can activate the funds in the EC regional program for Haiti and how we can get additional resources channeled to Haiti as a special case. But you will not notice, but it's happening. At the level of the OAS, a group is working now, primarily of Caricom persons, to see if what program we can develop under that regime, under the (?U.S.-Caricom) rubric, for additional resources into Haiti. And we took part in some work in Colombia with a group of technocrats to submit a program under the UNDP [UN Development Program] to finance additional efforts in Haiti.

[Pilgrim] Also taking part in the discussion were economist Lloyd Best, who has served as a UN adviser in Haiti; Henry Gill, international relations consultant; and university lecturer Dr. Anthony (Goncalves); with Tony Frasier as the moderator.

Notwithstanding Dr. Carrington's assurances about the efforts being made on Haiti's behalf, the rest of the panel expressed grave doubt about Haiti obtaining the kind of assistance from which it could achieve long-lasting benefits. In fact, speakers were at a loss to determine what the answers are for a country whose unique social and political character has, in the past, made nonsense of economic assistance programs.

[Best] We have no answers. Almost all the terms of the equation are known, except that change is now absolutely imperative in Haiti and Caricom has got to go in there and play, as it is playing (?blind all fours), it does not know what trumps are. It just says deal me and I will play, and they've got to go in there and play. Put a mission there, put competent people there who know the situation, equip them, give them the resources.

[Gill] I am not sure that we have a clear perspective, a clear vision as to how this thing is go because of our unfamiliarity with Haitian society, and Haitian conditions, and Haitian history, and so on. It would sound nice if we could do it, but I'm not sure we talking about the real possibilities.

[(Goncalves)] If a new situation is created, Caricom can certainly play a much larger role and the role has largely to be piggybacking on certain initiatives of the international community. It's largely because of the resource problem that Henry spoke of. [end recording]

Bahamas

Foreign Minister on Troop Deployment in Haiti

FL2209132294 Nassau Bahamas Radio Network in English 1130 GMT 22 Sep 94

[Text] The question is now being asked: When will Bahamian Defense Force officers be deployed in Haiti? Deputy Prime Minister the Honorable Orville Turnquest answered that and several other questions concerning Haiti and our Defense Force officers in an interview with ZNS news yesterday. Charlene Ferguson reports:

[Begin recording] [Ferguson] Bahamians favored the news that an invasion of Haiti had been avoided because it meant that, hopefully, Bahamaian forces would face less danger. Now, Minister of Foreign Affairs the Honorable Orville Turnquest dismissed speculation that once President Jean-Betrand Aristide returned to power Bahamaian forces would be caught in the middle of clashes between his supporters seeking revenge on Cedras' henchmen.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

[Turnquest] (?For this) we are saying that we can expect violence or resistance from anyone there, presumably it would be from those who oppose what is trying to be done. The Bahamian forces will not be involved until such time as democracy is restored, there is total disarmament of the Haitian forces or Haitian personnel, and the training [rephrases] the retraining begins.

[Ferguson] But exactly when retraining will begin remains uncertain. Operation Restore Democracy is still in its first of three stages, and it could be months before the country is considered stable. That conjures up images of the 1915 U.S. invasion of Haiti and the 19 year occupation that followed.

[Turnquest] Whether they will be required to be there for that length of time nobody knows. Nobody knows [words indistinct] the date continues. The [words indistinct] which are there will, when they go, will go for three months. When the second group is required from the Defense Force, and they are now being trained, they will be—35 in number—they will go for three months.

[Ferguson] How long this rotation will continue is another question that Minister Turnquest said cannot be determined at this point. But it seems that the Bahamas, like many democratic countries around the world, is willing to commit forces to Haiti until it is evident that the country can exist on its own, a phenomenal challenge for those attempting to restore democracy to a country which has only known violence.

Reporting for ZNS news, I'm Charlene Ferguson. [end recording]

Haiti

Aristide Spokesman: Cedras Must Choose Exile or Amnesty

FL2209203194 Port-au-Prince Radio Metropole in French 1800 GMT 22 Sep 94

[Text] Jean-Claude Martineau, spokesman for President-in-exile Jean-Bertrand Aristide, has said that General Raoul Cedras, head of the Haitian Army, will have to choose between leaving Haiti or giving up amnesty. Martineau said: We would prefer Gen. Cedras leave. He suggested that the pretext that the Haitian Constitution does not allow for exile should have applied to President Jean-Bertrand Aristide. The spokesman for the Haitian presidency-in-exile added that the same Constitution does not allow for coup d'etat and that President Aristide should not have been exiled.

Aristide Spokesman Rules Out Amnesty

LD2209170894 Paris France-Inter Radio Network in French 1600 GMT 22 Sep 94

[Text] General Cedras has said he will not leave Haiti. The leader of the Haitian junta announced yesterday that he will leave his post on 15 October as agreed with the United States, but he added that he wanted to remain in his country. This is unacceptable for the supporters of President Aristide: The military should not be pardoned and be allowed to stay in the country at the same time. Listen to Jean-Claude Martineau, the spokesman of exiled President Jean-Claude Martineau, interviewed by Philippe Reltien in Washington:

[Begin recording] [Martineau] To be pardoned and remain in Haiti are two incompatible things. If Mr. Cedras wishes to be pardoned, he has to go and if he does not want to be pardoned then he can stay. Questions about his participation in crimes committed in Haiti during the last three years will of course be raised.

[Reltien] So you mean to say that he will be pardoned provided that he leaves the country?

[Martineau] No, I am not exactly saying that, but I would like to say that we can resort to very legal means to make Mr. Cedras accept that he has to leave quietly.

[Reltien] That is you can tell him...

[Martineau, interrupting] There is no question of an amnesty if you do not leave.

[Reltien] So this is what you intend to do?

[Martineau] Well, if Mr. Cedras insists, but I would like simply to say that up until now the whole thing has been a mere show of bravado. [end recording]

Cedras Not To Leave After 15 Oct Resignation

FL2209144694 Port-au-Prince Radio Metropole in French 1045 GMT 22 Sep 94

[Text] General Raoul Cedras announced on the American television network CBS last night that he would not leave his country, but that he would resign from his functions on 15 October. Gen. Cedras termed the police violence on 20 September in Port-au-Prince unfortunate incidents that everyone regrets. I will resign from the army on 15 October, but I will stay in my country, Gen. Cedras stated in this interview on CBS, adding that the Haitian Constitution forbids exile for Haitian nationals.

The agreement signed on 18 September between former President Jimmy Carter and the unrecognized provisional president of Haiti, Emile Jonassaint, provides for the resignation of General Raoul Cedras from the army but does not specify explicitly that he would have to leave Haiti as requested by President Jean-Bertrand Aristide.

The commander in chief of the Haitian Army, in his first public comments since the beginning of Operation Uphold Democracy, termed the violent reactions of the Haitian forces of order on 20 September during a pro-Aristide demonstration at the capital's harbor unfortunate incidents. A civilian was beaten to death and several other demonstrators were injured, including two policemen. The first thing that I must say is that it was an

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

unfortunate incident that everyone regrets. I can assure you that all efforts will be made so that no such incidents occur anymore, declared Gen. Cedras, who responded to the questions of CBS anchorman Dan Rather in French.

Pro-Aristide Leader Criticizes Accord With U.S.

FL2209212194 Port-au-Prince Radio Metropole in French 1600 GMT 22 Sep 94

[Text] Haitian political parties continue to react to the Port-au-Prince agreement on U.S. troops for Haiti.

The National Congress of Democratic Movements [Conacom], led by Professor Victor Benoit, has called on political parties to rally for the establishment of democracy in Haiti. Benoit has asked the public to remain calm and has pointed out some flaws in the Port-au-Prince agreement:

[Begin Benoit recording, in Creole] Conacom deplores the fact that the Governors Island Agreement was not implemented and that the path that was chosen was one of confrontation rather than negotiation, which Conacom has always advocated. This is why the country now faces foreign military occupation, which we believe shames the Haitian people. Conacom notes that there are many issues that the Port-au-Prince agreement does not address: It does not say anything about when constitutional order will be restored—that is, when President Aristide will return—which government and which electoral council will be in charge of the next elections, or which head of state will convene the true parliament. Conacom believes that Jonassaint represents an illegal government and is not entitled to carry out those duties. All democrats should remain alert, for this sends a bad signal. At this difficult time, Conacom asks the public not to fall into the trap of provocation and to avoid bloodshed. Conacom asks that all political sectors remain levelheaded so that they can establish democracy in the country together. This will allow us, Haitians, to take over Haiti's affairs as soon as possible. The political struggle for democracy must continue. [end recording]

Provisional President Meets Anti-Aristide Legislators

FL2209202094 Port-au-Prince Radio Metropole in French 1800 GMT 22 Sep 94

[Text] Provisional President Attorney Emile Jonassaint is currently discussing the Haitian crisis with legislators at the National Palace. The legislators are undoubtedly members of the coalition opposed to President-in-Exile Jean-Bertrand Aristide's return.

De Facto Ministers Discuss Elections, Amnesty

FL2209150994 Port-au-Prince Radio in Metropole in French 1300 GMT 22 Sep 94

[Text] The ministers of the provisional government held an ordinary session on 21 September and, according to a press release, the Council of Ministers looked for a long time into the outstanding points of the national conjuncture and the modes of enforcement of the 18 September 1994 Port-au-Prince agreement. The press release says the attention of the provisional president and of the members of the council was especially solicited by the urgent character of two deadlines: the legislative elections and the amnesty law.

Concerning the legislative elections, all the aspects of the next legislative elections were studied and the dates were set in accordance with the constitutional provisions and the Port-au-Prince agreement. The electoral timetable will be published and the people will be called for elections after consultations with the permanent electoral council, says the note of the Ministry of Information.

Concerning the amnesty law, the provisional government of the republic has decided to convene the Haitian parliament to an extraordinary session for a vote—within the time allowed—on the amnesty law, which represents the first step toward national reconciliation and social conciliation well as an essential step in the implementation of the 18 September 1994 Haitian-American agreement, the Ministry of Information of the provisional government points out.

U.S. Forces Continue Deployment Without Incident

FL2209152194 Port-au-Prince Radio Metropole in French 1045 GMT 22 Sep 94

[Text] On 21 September American troops in Port-au-Prince continued, without any incidents, the setting up of their military material. Some equipment was stored at the Port-au-Prince international airport where the U.S. military forces have established one of their main bases right now. Many armored vehicles, tanks, army trucks, and at least two portable bridges were stored near the airport. This material will be later stored in the military camps in Port-au-Prince, in Frere, in the utilization camp and at the Port-au-Prince military airport.

On the third day of the U.S. troops' presence in Haiti, two special coordination high commands have been created between the American and Haitian Armies. On the Haitian side the high command is led by Colonel Antoine Atouriste, and the head of the American special coordination high command is Brigadier General Richard Potter.

Colonel Views Cooperation With U.S. Forces

FL2209200594 Port-au-Prince Radio Metropole in French 1045 GMT 22 Sep 94

[Text] The Haitian Army is willing to cooperate with U.S. troops in Haiti. A military spokesman has announced that the two armies have set up two general staffs to implement the 18 September agreement, which provides for close cooperation between the Haitian and U.S. militaries. Colonel Pierre Antoine explained that

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

cooperation is working out fine and took the opportunity to denounce those who, he said, are trying to sabotage the Port-au-Prince agreement at all costs. However, the Haitian officer refrained from identifying those people, whom he suggests are professional agitators.

Discussing the incident in Port-au-Prince on 20 September during which police killed one person, the military spokesman pointed out that soldiers and policemen were also injured during those clashes.

Colonel Antoine asserted that the Army will continue to fulfill its constitutional mission:

[Begin recording] [Antoine] The general command makes it a point of denouncing those who wish to hamper the agreement by calculatingly exploiting those incidents. The command also insists on its willingness to pursue its mission in compliance with the Constitution of the Republic and with the provisional government's formal instructions to maintain peace and order and to safeguard the lives and property of all citizens and foreigners living in the country. The forces of order have been instructed to remain calm and levelheaded and to resist all provocation so that the process started on 18 September can benefit all.

[Correspondent] What do you make of U.S. troops being deployed in Haiti?

[Antoine] It is a cooperation mission.

[Correspondent] There are rumors that civilians are being disarmed. Is that part of the discussions?

[Antoine] I told you that two general staffs are working on cooperation between the two armies.

[Correspondent] Will the coalition force and the Haitian police cooperate on patrols?

[Antoine] The cooperation covers many things. Thank you. [end recording]

Co-Occupation of Camps Discussed

FL2209215194 Port-au-Prince Radio Metropole in French 1800 GMT 22 Sep 94

[Text] The Haitian Army...[pauses] Sorry. The U.S. Army continues to take over Haiti's main military bases and streets. A U.S. military detachment entered Aviation, a big Haitian Army air base, this morning. The operation went smoothly thanks to cooperation between the two armies. The spirit of cohabitation that prevailed when 46 Special Forces members entered Camp d'Application—where the heavy weapons corps is stationed—on 21 September prevailed today. Colonel Pierre Antoine, spokesman for the Haitian Army, pointed out that the armies would occupy the two Haitian Army buildings together:

[Begin Antoine recording] We make it a point of explaining that the U.S. military's presence falls within the normal framework of cooperation planned by the two general staffs. Both sides feel that this cohabitation will lead to smoother cooperation. [end recording]

Army Spokesman Denies Artillery Corps Dismantled

PA2309022294 Madrid EFE in Spanish 2344 GMT 22 Sep 94

[By Herold Jean-Francois]

[Text] Port-au-Prince, 22 Sep (EFE)—Colonel Pierre Antoine, spokesman for the Haitian Army, today denied reports that his heavy artillery corps had been dismantled following the U.S. intervention.

"The presence of the Americans (U.S. troops) falls within the framework of normal cooperation determined by the Haitian Army's High-Level Command. Coexistence is useful for promoting cooperation," Antoine said.

In a news conference held at the Army's General Headquarters, the officer pointed out that the infantry, the Air Force, and other Army units in the capital and in towns in the interior will receive the same assistance from U.S. troops.

Antoine called on the national and international media to be more objective in the handling of their reports on the country's overall situation.

In addition, Emmanuel Constant, leader of the Front for Haiti's Advance and Progress (FRAPH), called for "total cooperation with the peace committee (U.S. troops) and the Haitian Armed Forces."

"Peace and love," Constant said in a news conference at FRAPH's headquarters where he urged all members not to confront the U.S. soldiers.

"In this atmosphere of peace and technical assistance in which we are living today, assault weapons are not necessary," the right-wing leader said.

Constant expressed his desire to meet with General Henry Shelton, commander of the U.S. troops deployed in Haiti, to decide on how the FRAPH can cooperate.

He also denied that FRAPH members carry firearms and called on the Haitian Armed Forces to search the organization's offices.

Constant said that the moment coupist General Raoul Cedras agreed to allow Emile Jonassaint to sign the peace agreement, "we, at the FRAPH, as reserve forces of the Haitian Army, placed ourselves under his orders."

After noting that the FRAPH is not a paramilitary force, Constant, who was opposed to the U.S. intervention in Haiti, said the U.S. troops are present in Haiti to provide technical assistance. He said that if the technical assistance later becomes a trap, they and the Haitian Army will confront the Americans.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Even though he pointed out he does not have any problems with the presence of U.S. troops, he said that the number of troops sent to Haiti is too large and he hopes the number of troops are reduced.

Constant said he is hoping for the prompt arrival of the multinational force, which will replace the U.S. troops.

As for Aristide, the FRAPH leader said he hopes he will leave his stubbornness behind and said he is ready to conduct a legal opposition. "From now on democracy will be achieved through elections," Constant said.

Moreover, Fritzo Canton, the secretary of the "de facto" Council of Ministers, told journalists that the government has initiated contacts with the Electoral Council for holding legislative elections in November. "The government is firmly committed to be a model democracy," Canton said.

Meanwhile, Stanley Schrager, spokesman for the U.S. Embassy in Port-au-Prince, said in a news conference that it will be the constitutional government of Aristide that will schedule elections.

U.S. Presence Said 'Cooperation,' Not 'Intervention'

FL2209184794 Port-au-Prince Signal FM Radio in French 1030 GMT 22 Sep 94

[Text] Concerning the U.S. intervention in Haiti, both sides have begun an understanding. It is not an intervention nor an occupation force, but an all-level cooperation mission, a source close to the General Staff of the Haitian Army told Signal FM. A certain irritability was visible on both sides during the landing of the troops of the international coalition on the morning of 19 September. We have been informed that a U.S. soldier of Haitian origin disarmed a soldier of the airport security service on 19 September. This situation recurred at the national port authority where soldiers of the international coalition disarmed three warrant officers of the Haitian Army.

There was a state of shock created by this last-minute change on the side of the U.S. troops who were on Condition D [as heard]. That was a regrettable situation, an unfortunate incident. The necessary arrangements were quickly made so as to avoid the worst, explained a Haitian Army colonel. He added that at present confidence seems to be established on both sides.

This is not the first time for U.S. military cooperation with the Haitian Army. A U.S. mission was here in 1960. Another mission was here in 1970 when the Leopards Corps was created. A mission was going to help with the setting up of the Haitian Navy corps in 1982. The Aviation Corps was born thanks to similar cooperation in 1984. Haitian-American military cooperation was interrupted in 1991 after the military coup d'etat of September of the same year. Sixty percent of the Haitian officers have studied in the United States within the scope of this (?cooperation) between the two countries.

U.S. Official Cited on Military Police's Purpose

FL2209212694 Port-au-Prince Radio Metropole in French 1800 GMT 22 Sep 94

[Text] U.S. Military Police have been ordered to prevent violent police actions, like those that took place in Port-au-Prince streets on 19 September. John Deutch, U.S. under secretary of defense, has said that about 1,000 U.S. Military Police officers will be on patrol and that their presence should have a stabilizing effect. To avoid injuries among troops, he noted that the officers have been ordered to intervene only if they have backup.

U.S. Forces Reportedly To Reinforce Medical Infrastructure

FL2209212594 Port-au-Prince Signal FM Radio in French 1030 GMT 22 Sep 94

[Text] A reliable source has told Signal FM that a team of U.S. military doctors and medical technicians have toured medical centers in Cite Soleil, Sainte Catherine, and Bon Repos with an eye to reinforcing the medical infrastructure at these health centers. These efforts will eventually be carried out nationwide. We do not know whether health officials from the Jonassaint government participated in the tours.

Jamaica

Prime Minister: Government To Review Land Policies

FL2209120894 Castries HTS Caribvision Television in English 1945 GMT 21 Sep 94

[From the "Caribbean Evening News" program]

[Text] The Jamaica Government will be undertaking as a matter of urgency a review of more than 100 pieces of land and land-related legislation. Oliver Fagan takes a closer look at the so-called green paper on land reform as tabled by Prime Minister P.J. Patterson in the Jamaica parliament:

[Begin recording] [Fagan] It was an unusually short session. Immediately following the placement of the mace, parliament resumed its sitting on Tuesday [20 September] afternoon. This time there was pleasure before business as incoming representative for South St. Catherine (Fitz Jackson) was sworn in and welcomed by government and opposition members. Prime Minister P.J. Patterson then repeated his apology to former Jamaica Labor Party MP (Douglas Golding) over mistaken allegations made against him, and the house records were duly corrected. The prime minister then tabled Green Paper Number 4 on land reform. He says the creation of a land policy is a government priority. Mr. Patterson said the draft policy is an attempt to provide a framework for the proper management and the development of land.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

[Patterson, in progress] ...its objective: the need for a uniform, comprehensive, and integrated land management system which would provide accurate and timely data on such issues as natural resources, the environment, land ownership, land use, transport, communication, mapping, demography, and other socioeconomic factors.

[Fagan] The draft policy also addresses possession and divestment of government lands. With government being the nation's largest land owner, having over 45,000 land parcels, the land divestment policy is an attempt to relieve problems associated with landlessness. But the prime minister admitted that current institutional arrangements for the management of the country's resources is both inefficient and ineffective and is having a negative impact on social and economic development.

[Patterson] The plethora of government ministries, agencies, and departments which have responsibility for some aspect of land and land-related activities have partly contributed to this. Overlap and fragmentation often result in conflicting development decisions, delays in planning and development processes, and sometimes even conflicts in the impiementation of social and infrastructural development.

[Fagan] He says government is attempting to reduce the number of organizations dealing in land and called for a review of land-related regulations. Government intends to replace some existing laws and simplify others. A thorough land policy is expected to be in place early next year. [end recording]

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Foreign Secretariat Rejects San Diego Anti-Migrant Measure

PA2209134594 Mexico City XEW Television Network in Spanish 0430 GMT 22 Sep 94

["Text" of "bulletin" issued by Secretariat of Foreign Relations in Mexico City on 21 September; from the "24 Hours" newscast]

[Text] The Mexican Government expresses its deep concern about the San Diego County Supervisory Board's approval of an alleged state of emergency over the flow of immigrants. This is a new expression of the State of California's increasing anti-immigration rhetoric.

Even though the federal governments of Mexico and the United States have worked to develop new strategies for better administration of bilateral immigration, individual short-term interests are recurrently using the phenomenon as a political standard in local campaigns.

Mexico reiterates that this new initiative, as part of a growing tendency to blame Mexican migrants for the ills affecting U.S. society, not only will not resolve the problem but will aggravate it.

The declaration of a state of emergency along the border of San Diego County is a blow to the spirit of cooperation and good neighbor policy that should prevail in Mexico-U.S. bilateral relations. It also constitutes a new obstacle which may affect commercial and economic relations between Mexico and the State of California in this period following the approval of the Free Trade Agreement.

The Mexican Government scrupulously observes the principle of nonintervention in the affairs of other countries. In this case, however, or in the case of any other initiative that could affect the interests and rights of fellow Mexican nationals in the United States, the Secretariat of Foreign Relations cannot but express its total rejection of this measure and its legitimate commitment to work against the growing xenophobic and racist campaign in that state.

Foreign Secretary Comments

PA2309025794 Mexico City Radio ACIR Network in Spanish 0000 GMT 23 Sep 94

[Report by Juan Carlos Escobedo from the "Evening News Panorama" newscast]

[Text] At noon today, Manuel Tello commented on the issue of racism against Mexicans in California. The foreign secretary said it will take time for the Foreign Secretariat's condemnation to be known and to have an effect. Tello said Mexico is not defenseless when it comes to fighting unilateral policies that adversely affect its nationals in the United States. He admitted, however, there is a risk that hostility against Mexicans in California may spread to other states.

[Begin Tello recording] We are not defenseless. We also can adopt unilateral measures, because the prevailing attitude in California might be extended to other states along the Mexican border. I hope this does not happen. This is a very local case that is closely related to the electoral campaign in California. [end recording]

With regard to Mexicans in California, the foreign secretary also noted that they should take steps they deem necessary to stop this wave of racism against Mexican nationals. He also commented very briefly on the possibility of requesting the extradition of Gonzalez Calderon, a former federal judicial policeman. He said that within the next few days, the Foreign Secretariat will formally request Gonzalez's extradition. All of these remarks were made during a memorial service for former Mexican President Adolfo Lopez Mateos.

Deputy Assails U.S. Moves Against Undocumented Workers

PA2309024094 Mexico City Radio ACIR Network in Spanish 0000 GMT 23 Sep 94

[From the "Evening News Panorama" newscast]

[Text] U.S. Attorney General Janet Reno has said the Clinton administration is very concerned over the illegal immigration problem in California. She said the government will continue to contribute more money than any past administration to combat illegal immigration. Reno added that in addition to controlling illegal immigration along the border, the administration plans to send an unprecedented amount of money to California within the next 100 days to refund the state for the cost of jailing foreign criminals.

There has been reaction to these remarks at the Mexican Chamber of Deputies. Maria de los Angeles Moreno, president of the Chamber's Grand Commission, condemned California Governor Pete Wilson's position on undocumented Mexican workers. During an interview, she characterized Wilson's measures as xenophobic, cynical, and the result of the current economic recession in the United States. Moreno added that Wilson is using the measures to promote himself politically and to ensure his reelection.

Moreno, who is a senator-elect from the Federal District, said the California measures could harm relations between the United States and Mexico, especially now that a great deal of care is being taken to establish more interdependence in all spheres, specifically within the context of NAFTA.

Moreno admitted that the only thing Mexican legislators can do is issue political statements on this issue and urge the governments of both countries to resolve this problem as soon as possible, because it poses a threat to the security and human rights of illegal migrant workers. Moreno regretted such xenophobic attitudes and the implementation of measures such as these designed to guarantee the reelection of a U.S. governor.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

The gubernatorial elections in California will be held on 8 November. On that same day, representatives and senators will be elected in virtually all of the states. Many of these representatives and senators will be seeking reelection, and this is why, we insist, these populist positions are understandable.

Mr. Pete Wilson knows very well that the dirty jobs and manual labor U.S. citizens, regardless of their color, refuse to do, end up being done for peanuts by illegal Mexican laborers. Without the illegal Mexican workers—and this is a fact—California's economy, especially the farming sector, would be seriously hurt. Nevertheless, it hurts to see U.S. authorities attempting to take advantage of Mexican workers who have no protection whatsoever.

Maria de los Angeles deplores the emergence of xenophobic and racist attitudes in the world, as in the case of this traditional problem with the United States, a country with which Mexico shares a sizable border. She therefore recommends that this problem be discussed at extended forums and, of course, that there be a change of this position.

'Experts' Propose Interim Chiapas Government

PA2209193394 Mexico City EL FINANCIERO in Spanish 21 Sep 94 p 42

[Report by Francisco Gomez Maza]

[Text] Government experts have issued a restricted-circulation document which proposes the establishment of a three-year interim government in Chiapas to promote peace efforts in that state. The government would be headed by the PRI [Institutional Revolutionary Party] member who manages to achieve a consensus so that he, with a common platform and the establishment of a pluralistic command, is able to lay the foundation for the structural changes urgently required in Chiapas.

The experts have stated, however, that the governorship should not be given to either the PRI's Eduardo Robledo Rincon, the presumed winner of the 21 August elections, or to lawyer and journalist Amado Avendano Figueroa, the candidate of the Party of the Democratic Revolution's (PRD).

The document was obtained yesterday through journalists in government circles. Its authors observed that "it is advisable that the Chiapas phenomenon be isolated from the national electoral process" because for the first time, Subcommander Marcos's most recent "paid advertisements" concentrate on and fix the problem in the State of Chiapas. This is probably due to the development of the national electoral process and to the overwhelming number of votes in favor of the PRI. Although the advertisements "do not say so, one can perceive that he is now creating options for establishing serious mechanisms for pacification and even for political participation."

The authors of the document explained that "in other words, without saying so, (Marcos) does not object to Dr. Zedillo's electoral process. He does not in any way agree, however, with the Chiapas electoral course. He very emotionally states that under no circumstances will he allow Mr. Eduardo Robledo to be installed, even if it means a bloodbath in Chiapas."

The authors of the document observed that "the Chiapas problem must be placed in the proper perspective so this unstable situation will not hinder the presidential qualification and, consequently, Dr. Zedillo's access to the presidency of the republic on 1 December."

The government experts pointed out, however, that "it is inadvisable for current President Carlos Salinas de Gortari or the virtual next president, Dr. Zedillo, to make a military decision (because) the consequences would be serious and disastrous. No sensible person could measure its consequences in political terms."

According to the document, Chiapas continues to be a political time bomb which, if not dealt with and provided with satisfactory solutions, could corrupt the country's political climate because many conflicting interests at stake. The state requires immediate political action to promote a climate of negotiation that will allow concerted solutions to be found.

The government experts warned that, as things stand, peace in Chiapas means peace in Mexico, and this peace will not be achieved if the state's economic, political, and social conditions are not modified substantially. "Chiapas requires vast political reforms that will allow agreements to be reached through a common platform that adheres to specific political commitments." They added that social and economic reforms must be included in the political reforms (because) it is urgent that the state be treated differently with a new focus on the process to further its development."

In addition to an interim government, the document proposed, among many other measures, offering the Zapatist National Liberation Army [EZLN] recognition as a political organization with the attributes, powers, and obligations conferred by law.

Likewise, it proposed the establishment of a state democracy and peace agreement between civilian society, EZLN representatives, and political parties. This agreement would set clear guidelines and bases for the state to move toward democracy.

In the political sphere, it proposed that regional representation be given to ethnic and Indian groups in the state congress and to include the diverse ethnic groups and their representatives in the municipal councils, because "it will be healthier for democracy if we discuss our problems in a widely represented congress and council rather than have expressions of the conflict flaring up in the Chiapas mountains and streets."

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Furthermore, the document proposed the creation of a civilian attorney general's office for the protection of Indians, a repeal of the Chiapas criminal law, general amnesty for political prisoners, a radical reform of the justice branch, separation of the PRI from the state government, regulation of mass media sources, preparation of a new electoral list, independence of electoral organizations, and a study of the advisability of allowing party coalitions.

The authors of the document suggested economic measures, highlighting a state tax on Mexican Petroleum and the Federal Electricity Commission and the rescheduling of the peasant sector's debts. They also recommended that a study be done to define the most appropriate areas for establishing new Indian settlements. They must be strategic locations in terms of productivity and capable of accommodating 150,000 people.

The objective of the proposed measures is to initiate, on solid bases, the urgent pacification and governability of the state and to lay the foundations for the future economic development of Chiapas, the document asserted.

Soldiers Deployed To Combat Drug Trafficking in Guerrero

PA2309031194 Monterrey EL NORTE (Foreign Edition) in Spanish 21 Sep 94 p 10A

[Text] Acapulco—Maria de la Luz Nunez Ramos, mayor of Atoyac de Alvarez Municipality, yesterday said more than 2,000 soldiers armed with sophisticated weapons arrived Sunday in the Guerrero Sierras to reinforce the military presence in this high crime region. The soldiers will reportedly intensify their campaign against drug trafficking in the Sierras of Guerrero State, Nunez Ramos added.

"Since Sunday, trucks filled with soldiers and light vehicles armed with grenade launchers began arriving. You could tell they were armed with sophisticated weapons but we do not know exactly where they are going," the mayor said.

"People in the Sierras trust the soldiers more than they trust policemen. I believe the soldiers' presence will diminish the crime rate in the communities and on the roads in that area," Nunez Ramos said.

She said that during June and July the Army intensified its campaign against drug trafficking by destroying drug plantations, and she added that the crime rate dropped significantly in Atoyac de Alvarez.

Juan Heriberto Salinas Altes, commander of the 9th Military Zone that covers all of Guerrero State, said he would reinforce the military presence in the Sierras to intensify the campaign against drug trafficking.

A statement made on Friday by Salinas Altes stressed that the Sierras and the mountain region in Guerrero have a high incidence of plantations, and he said, starting Monday, the campaign against drug trafficking will be intensified.

The commander said members of the Defense Secretariat have not confiscated heavy-caliber weapons in zones identified as having a high incidence of drug traffickers, despite the fact that there frequent armed skirmishes involving assault rifles and heavy-caliber pistols.

Salinas Altes added that this year 300 small-caliber weapons have been confiscated in Guerrero and that assault rifles, such as AK-47 submachine guns or "goat horns," have been confiscated by state police organizations.

Pemex Director: Refinery Deal With Cuba 'Strategic'

PA2309041894 Mexico City XEW Television Network in Spanish 0430 GMT 22 Sep 94

[From the "24 Hours" newscast]

[Text] Pemex's [Mexican Petroleum] director today gave details of the new company to be organized by Mexico and Cuba to produce refined petroleum products. Pemex Director Francisco Rojas said the agreement to operate a refinery in Cuba will establish a long-term strategic business in which Mexpetrol will directly participate. Mexpetrol is a private company in which Pemex holds a 25 percent interest.

[Begin Rojas recording] Whenever an investment is risky, it is accurately called a risk investment. The goal of this whole deal is to secure a strategic position in a part of the Caribbean that at some future time, when there is some sort of trade opening, Pemex and Mexpetrol will have a privileged position. This is a business that must be seen from a long-term vantage point. [end recording]

Francisco Rojas pointed out that as a result of Pemex's administrative and financial changes, assets have doubled, resources have almost tripled, and long-term debt is nearly half of what it was.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Guatemala

President Announces Measures To Curb Spending

PA2209170994 Guatemala City SIGLO VEINTIUNO in Spanish 20 Sep 94 p 2

[Text] President Ramiro de Leon Carpio has announced 12 measures to immediately reduce government expenses:
1. Total ban on the purchase of equipment and machinery.
2. Ban on any entertainment expense.
3. Ban on use of official vehicles during non-working hours and days. This includes related expenses (gasoline, spare parts, and tires) and also bans relatives of officials from driving official vehicles.
4. Ban expense charges under Item [renglon] 211 (food) except at hospitals, schools, and prisons.
5. Limit ministerial advertisement expenses.
6. Reduce electricity and telephone use in public offices.
7. Reduce commission trips to the countryside and abroad.
8. Use of public office resources limited exclusively to official business (photocopiers, machines, and others).
9. Ban on personnel hiring under payroll or by contract.
10. Suspend new public works.
11. Suspend appointment of personnel currently being processed.
12. Ban any budget changes (allotment transfer).

Reaffirms Determination To Cut Spending

PA2209171094 Guatemala City PRENSA LIBRE in Spanish 21 Sep 94 p 75

[Text] President of the Republic Ramiro de Leon Carpio yesterday reaffirmed his determination to reduce public expenses. He said that the 12 specific actions to tackle the crisis facing the state unveiled on 19 September will help tidy up government finances.

De Leon Carpio said that officials must comply with a ceiling of investment expenses for the last trimester of the year and limit operational expenses to 30 percent of the amount assigned at the beginning of fiscal year, except for the Ministries of Health, Government, and Education.

One of the announced measures restricts machinery and equipment purchases for government offices. Another measure reiterates a ban on superfluous expenses under Item [renglon] 9-31 that enables the state to save 40 million quetzals.

They also reaffirm a ban on the use of official vehicles on non- working days and their assignment to relatives of government officials.

Special expenses will only be authorized if they fall under Item 211 and if they are channeled to hospitals, schools, and prisons.

President de Leon Carpio also called for a reduction in official advertising expenses, which have been reduced to a minimum in his 15 months in office, he said. Another measure seeks to rationalize the use of electricity in public buildings.

De Leon Carpio also announced a reduction in the number of commissions sent to the countryside and abroad.

At a 19 September meeting, the cabinet also agreed to cut expenses for telephone calls, photocopies, stationery, and other supplies for public offices.

The president announced a ban on the hiring of personnel under Item 079. Moreover, only public works for infrastructure already planned by the various ministries will be carried out.

Another measure calls for a freeze on the appointment of new personnel, except for those in the Ministries of Education, Health, and Government.

Finally, the government bans any budget changes, such as allotment transfers and the programming or reprogramming of specific revenues and expenses.

De Leon Carpio Earns 28,545.14 Quetzals Per Month [subhead]

The president denied reports that he earns a monthly salary of 500,000 quetzals. He gave assurances that this figure is actually 28,545.14 and presented documents to back this up.

His salary as president of the Republic, according to these documents, is broken down as follows: 25,820 quetzals per month minus 12,274.86 quetzals in taxes. This yields a net salary of 13,545.14 quetzals.

De Leon receives 15,000 quetzals in entertainment allowance. This, added to his salary, yields a total salary of 28,545.14 quetzals per month. He considers that this is a fair salary for the president of the Republic.

Peace Commission President Interviewed

PA2209135694 Guatemala City Cadena Emisoras Unidas in Spanish 1730 GMT 19 Sep 94

[Interview with Hector Rosada, president of the Guatemalan Government Peace Commission, by unidentified reporter in Guatemala City on 19 September; from the "News Patrol" newscast—recorded]

[Text] [Reporter] Mr. Rosada, why have the peace talks been suspended?

[Rosada] Well, I think that the fundamental reason is because of the impact of the Oslo agreements Oslo. Obviously, according to the government, the agreements were quite favorable, because they showed flexibility, as well as political maturity. In my opinion, the agreement is also proof of political maturity on the part of the URNG [Guatemalan National Revolutionary Unity]

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

leadership. Unfortunately, the URNG grass roots, ideological activists, and other supporters decided to challenge the agreements, and the leadership is now in a difficult position.

[Reporter] What grass-roots sectors do you mean?

[Rosada] I would rather not go into details at this time. I believe that anyone who is listening is well aware what sectors I mean. I could mention the fighters, the ideological sectors that support the URNG, or even sectors in the interior of the country that could eventually become future grass roots. This point is very important. We are currently undergoing a process of deactivating all types of armed confrontation. Obviously, from the URNG's perspective, the negotiating table has now become a political tool that will ensure the movement's revival. This is why the position adopted by this future grass-roots sector is very important. In my opinion, this is the main reason why the negotiations have been suspended; simply, that the URNG grass roots, supporters, and fighters reacted negatively to the agreement. The second reason, which is also quite important, is related to the [words indistinct] received for the international verification mission having been established by the United Nations. I am not going to analyze the reasons why it did or did not come about. [Words indistinct] the verification commission, a feeling of distrust developed which at the same time could have been overcome if the mechanisms had been in effect.

[Reporter] [Words indistinct] URNG grass-roots sectors that could have been opposed to the positions that were presented. Could these sectors have been [words indistinct] with any particular objective in mind?

[Rosada] No, no, no. Part of the intricacy [words indistinct] but opinions by people close to the movement who perceive the groups' dynamics in a different manner. These people have provided assistance and presented ideological views far removed from armed clashes. Most logically, when the military vanguard of the revolutionary movement reaches agreements that affects [words indistinct] unsatisfactory terms. In addition, why not say it, this tends to complicate our position at the negotiating table.

[Reporter] Do you believe the peace negotiations will not progress [words indistinct]?

[Rosada] No, I would say that phase had been anticipated. We were aware considering the tremendous progress made during the first six months of the year—six agreements in six months—at one moment or another of the negotiations there would be [words indistinct]. It would have to appear sooner or later, not necessarily immediately. Fortunately, for the government sector, it has favored us because it allows us to improve our position, to know where we are headed, as well as to know what we can accept and not accept. On the other hand, the URNG leadership is facing a lot of problems. It is in a situation where it will have to face the reality that a return to the negotiation table means continuing a process that will inevitably lead to an end to armed confrontation. It is a matter of being mentally prepared to know what is going to take place when the time arrives.

[Reporter] Pablo Monsanto says that signing agreements does not automatically guarantee attaining peace in the country. How do you explain his position?

[Rosada] Well, you should talk to him and not me about it [words indistinct]. As I said before, I think Jorge Ismael Soto's words are a message to the sectors who challenged the agreements and the URNG's political position—a position these sectors regard as undesirable. Personally, I think the URNG General Command has demonstrated a great deal of political maturity by reaching agreements that signify starting points that can function as factors favorable to development and future social peace. I think Soto addresses himself to those sectors, thereby preparing his return to the bargaining table. It is as if he had said: I will return to the negotiating table, although we have not achieved what we want. My position remains a little like it was at the beginning: dialogue that leads to incorporation into political life.

[Reporter] He begins by speaking about the peace process and talks. Now, Monsanto and Soto say that with the signing of social peace, which stands at the end of the procedure, war would continue if no specific agreements are reached and if these agreements do not stand firm. This is what Monsanto has been saying.

[Rosada] Look, I perfectly understand what he has said. I am interpreting what I think he is thinking. In other words, whatever he says at this time is unimportant to me. Nevertheless, it will be important as soon as we begin discussing arrangements for a definitive cease-fire and grounds for the URNG's incorporation into the country's political life. It is in such a discussion where this subject would be debated in depth. Today, we only have something that is simply a view to the future, as if he had said: This is my firm position. Based on this, I will return to the negotiating table [words indistinct]. The important thing is whether or not he holds this position when we discuss the basis for incorporation into the country's political life. There are two viewpoints to consider: 1) Will the government agree [words indistinct]? 2) Is the United Nations willing to supervise a demobilization agreement in view of the assertion that arms will not be surrendered? [words indistinct]

[Reporter] Dr. Rosada, you know the guerrilla commanders. What do you think about them and which of them is the most intransigent?

[Rosada] I would not venture a personal opinion on them. I nave met them during our serious, professional, and respectful negotiations. Not a single improper or harsh word was uttered. There may have been rejection and negative positions, and even some delaying tactics,

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

but, as far I am concerned, I have negotiated as a good Guatemalan citizen with an adequate grasp of the situation. I did notice, however, that there are various viewpoints on the talks among the guerrilla leaders. Some of them appear to be more inclined to negotiating, while others are not. Some of them seem to have a different view of the purpose of the negotiations. I would not say one, two, or three of them look down on the negotiations. No, I would say that each front has a different view of the negotiations.

[Reporter] In the talks there has always been a (?confrontation) between guerrillas and the Army and between the government and the guerrillas. What happens after you people finish a meeting? Do you people talk with the guerrillas outside the meetings? What type of relationship is there away from the negotiating table?

[Rosada] The attitude has been pacifying and very tolerant. I would say the success of the talks was engendered by the atmosphere that prevailed. The atmosphere has very cordial and respectful. Although there have been disagreements and accusations, there has never been an insurmountable problem. Our communications are not limited to the negotiating table. I have been personally interested in talking with them and trying to understand the workings of their minds. I think I have a clear enough understanding of the minds of two of them, and that I at least have a good idea of what goes on in the minds of the two others. One of them gives me some trouble because [words indistinct]. Because of his long revolutionary background that dates back many years, he is not so inclined to friendly and open feelings. Ricardo Ramirez, a.k.a. Commander Rolando Moran, talks little. We talk, but a dialogue has not been established.

I believe my relationship with [word indistinct] is very good at the [words indistinct] level. We are able to converse and debate away from the negotiating table. I believe my relationship with Don Ricardo Rosales Roman, a.k.a. Carlos Gonzalez is quite [word indistinct] and open. I believe it is best to communicate with him directly.

[Reporter] [Words indistinct]

[Rosada] Of course. We have dined together, we have exchanged opinions when we encountered each other in the hallway, and we have had joint lunches where conversation lasted two to three hours. The atmosphere is one of dialogue, and I believe that that very dialogue oriented atmosphere has allowed us to make difficult decisions relatively easily at the negotiating table.

[Reporter] Dr. Rosada, do you believe the guerrillas are prepared to participate in politics?

[Rosada] You should ask them that question because they are participating in politics. The problem is that they are participating with a mistaken strategy, a military, violent strategy. The question should be whether they are prepared or if they are involved in institutional political game-playing within the guidelines established in the Political Constitution of the Republic and, most importantly, if they accept the current conditions and the very complicated current situation. This would be the problem. As for whether they are prepared for politics, [words indistinct] politics.

[Reporter] What do you believe might be the legal political means of incorporating the guerrillas into the country's legal life?

[Rosada] (?I do not know.) I know which means cannot be used. Amnesty. But I do not know what means might be used. It cannot be an amnesty because we pledged in the Human Rights Agreement not to use that. We may have to use something like the state's productive capabilities, a tack that was used in South America. In Guatemala, it could be something like an expiration of the statute of limitations on the state's productive capabilities, or some other [word indistinct] means. It may be that personifying [as heard] the demobilized will render the probability of their reinstatement to legal life feasible or viable, at a special time for the country when an armed conflict is under way and an effort is being made to guarantee conditions for the construction of peace.

As soon as they found out there would be no amnesty, for example, they [word indistinct] to discuss purely legal issues. Remember that in Guatemala the statute of limitations expires in twice the length of the sentence, and the sentence for sabotage is not a year, two years, or a month. Amnesty is not acceptable to us because it is too broad. A number of rascals could get away with political and common crimes [words indistinct] in the country's recent political history and perhaps in the distant past. The main reason for not accepting amnesty is to prevent the use of legal measures in Guatemala to cover up impunity. This is what we tried to prevent in the General Human Rights Agreement. We said we would prevent it at all costs.

The president of the Republic said recently that he would veto any attempt at amnesty, thinking precisely along these lines. What we are trying to achieve—and many people are working on this—is a legal means, as the president said, that will make it possible during this important period for the country, for those people who took up weapons and committed crimes to return to a life of lawfulness. The basic problem, in my opinion, which I pointed out a while ago, is the harm that could be done to a person or a person's property, or to public property.

[Words indistinct] for 30 minutes, [words indistinct] based on future national reconciliation because, obviously, if there are a number of lawsuits and the statute of limitations expires in twice the length of the sentence, the situation will have to be studied from the legal standpoint.

Any legal proposal would entail amendment of the Penal Code, not the Constitution. In addition, a proposal for a

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

secondary law would be presented to the Congress. At any rate, the Constitutionality Court would probably have to be consulted. Once this is settled, the proceedings would be entirely legal.

[Reporter] When do you think the talks could be resumed?

[Rosada] [Words indistinct] is the one who should answer this question. All I can say is that we are on the verge of resuming the talks, according to reports I have received.

Important consultations are in progress. We are perhaps in the most important stage of the negotiations process. Returning to the negotiating table is the best demonstration of civility in this negotiations process. We would like the talks to be resumed in Mexico City. The date should be as soon as possible. We are ready to start at any time. Nevertheless, we understand that URNG leaders must clear some things to ensure the best possible conditions to return to the negotiations. Nothing could be gained by resuming the talks in a negative climate because we could lose everything positive we have gained so far. I think it is very important to resume the talks under the best possible conditions.

[Reporter] Monsanto says they will lay down their arms when all agreements are complied with by the government. Is this the topmost leaders' opinion or just his own?

[Rosada] That should be asked of them. I could not guess the answer.

[Reporter] Do you think the UN mediator is optimistic about signing a peace accord this year?

[Rosada] I think he is optimistic that, with the support of friendly countries, the government is politically willing to fulfill the agreements we signed in Mexico City in January this year. We pledged to establish a firm and lasting peace agreement as soon as possible during 1994. Mario Antonio Sandoval, a PRENSA LIBRE columnist, has pointed out something very important, that little more than 100 days remain before this deadline arrives. It is a matter of who is politically willing to comply with the agreements. The important thing right now is to pave the way for the URNG General Command and the government to coincide in their political willingness to comply with the agreements.

[Reporter] When will the commission in charge of preparing the installation of the UN commission in charge of verifying compliance with the agreements signed with the URNG come to the country?

[Rosada] I understand that the preparatory commission will come as soon as possible. I talked with Jean Arnault last week. He told me that a communique would be released one of these days. I also understand that the deadline to approve the preparations ends in September and that last-minute arrangements are being made for Eleuterio Leonardo Franco and his colleagues on the preliminary commission to arrive here as soon as possible. What we will do is to give them the services they require, make the necessary studies and preparations for Agreement 6, and assist them in everything they have to do. We are perfectly prepared to do just that.

[Reporter] What will happen to the negotiations process if peace is not signed this year?

[Rosada] I can make no predictions. Nevertheless, may I reiterate that, since the beginning, we held that peace is possible, that peace can be constructed. We are ending a confrontation and making it possible for society to shift its outlook, all of which will make it possible to work for peace. This is what beginning to build peace means. If a final agreement to end the armed confrontation in 1994 is not reached, this would represent a violation of the framework agreement, an agreement which is very desirable for us.

But this is no straitjacket, either. Jorge Almanza said the timetable is a guideline, not a straitjacket. I agree with him. But we must comply with the framework agreement to attain a firm and lasting peace as soon as possible during 1994. Leaving any leeway would take us into 1995.

But we should try to reach this final agreement as soon as possible. I wish the most important and in-depth problems could be resolved by December this year, leaving the superficial ones for next year. This would be most desirable. But it would be good to leave a degree of tolerance, however.

[Reporter] The URNG says the government's remarks have thrown a monkey wrench into the peace talks.

[Rosada] [Words indistinct] They are probably upset by the report of some guerrillas surrendering, the discovery of some clandestine arms cache, or the interpretation of why the negotiations either progress or are bogged down.

I believe that one of the things that also bothers us is that we are constantly being accused of violating global human rights agreements, or that we are attempting to assume verification responsibilities while being part of the agreement.

Let us look at the positive side of the question. It is my opinion that both sides should adopt an objective and responsible awareness of how to manage the negotiations. By this I am not saying that we have not approached the negotiations in a responsible manner, but just that any further progress in the negotiations demands that from now on we must be more responsible and more professional.

For example, I recently asked the president of the Republic to instruct all government officials, excluding this speaker, to refrain from venturing opinions on the negotiations process. [Words indistinct] I will be the only one to put my foot in my mouth, and if I am the only one

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

who does this, it is much easier solve the blunder. But if everyone goes around venturing opinions describing the negotiations, what we will eventually create is a negative environment that will prevent us from fathoming the significance of returning to the negotiating table and, more fundamentally, the importance of arriving at far-reaching agreements. The same could happen with the URNG.

It is important to try to avoid insults, accusations, or subterfuges and to try and understand what it is we really seek with the negotiations. Basically, we must try to understand what the signing of a peace agreement as established in the framework agreement represent to us, and that, on the one hand, disclosures about the negotiations process will only be made by the moderator. At one time or the other we met at the negotiating table and commented that there were obstacles since we needed more independence as related to disclosing information. Eventually, we all agreed that each delegation's coordinators, each delegation's head, would be at liberty to venture opinions as long as they were interpretations of the process that in no way undermined the negotiations.

[Reporter] Mr. Rosada, is it true that at one time you held left-wing beliefs but that today you are more right wing?

[Rosada] My beliefs have always been grounded in a nonviolent revolutionary ideals. I believe that this society needs far- reaching, in-depth changes. This society needs changes that will allow it to reach acceptable levels of human development, respect for human dignity. This all must be part of a unmistakable conception that the individual will not just be entitled to demand his rights but must also be prepared to meet his responsibilities. I am aware that I have adopted more conservative beliefs; well, whenever one expresses an ideological formulation, the individual must adopt some type of stand. The stand I have adopted directly links me to the situation we are currently experiencing.

[Reporter] Mr. Rosada, maybe we could expand on this issue a little more for the people's benefit. Instead of conservative, revolutionary, reformist, progressive, [words indistinct], left, right, [word indistinct], or confusing...

[Rosada, interrupting] Not confusing. If the objective is to criticize me and say that I was a left-winger and now I am a right-winger, it would first be necessary to assess my public performance. In other words, all the things I have been able to accomplish are in writing. Anyone able to read what I have done will understand that what I wrote is directly related to the issues in which I was involved at the time. I have never been an extreme advocate of a capitalist system that does not elicit some type of welfare. Politically speaking, I could accept negotiating the possibility of such a political system [words indistinct] welfare. At one time or another someone mentioned something to me about the need for this country to adopt a more humane capitalism. I answered that I was not aware if that was possible but that I would be more interested in a more intelligent type of capitalism, a type of capitalism that understands that even though it is true that capital must be elicited, we must ensure that that same capital is not multiplied by promoting more poverty. In cases like these what we would end up having would be some very serious structural problems. In conclusion, my philosophy has always been intimately linked to in- depth changes in society and will continue along these lines.

My philosophy has been a nonviolent revolutionary philosophy. This is why I had so many problems in the past, especially with sectors close to the URNG because some people have defended the violent path. I have never been involved in anything violent. I would have to go into details of my life to be able to explain the present moment. What is important now is that I have rejected violence and that I continue rejecting it. I reject violence as an end and as a means.

[Reporter] What is your relationship with former commander Julio? It has been said that he could have advised you or the Peace Commission because of his capabilities.

[Rosada] During the past few years he [words indistinct]. Later he assumed revolutionary positions and I assumed institutional positions, and we stopped seeing each other. After some years we reestablished contact. Unfortunately this contact has been seen through ill-intentioned eyes. Somebody decided that he was an adviser of the Peace Commission, and this was not so. The Peace Commission is a high-level political commission appointed by the president. You realize that it includes most important military commanders of the military hierarchy. This is complicated.

[Words indistinct] we have cut communications because we have decided that it is not advisable. My position today is one I have discussed with commanders who hold the same point of view. He belonged to FAR [Rebel Armed Forces] and the EGP [Poor Peoples Guerrilla Army], and both organizations respect and understand the political decisions that he adopted at some point in his life.

[Reporter] If the guerrillas organize as a political party and participate in upcoming elections, [words indistinct]?

[Rosada] Electoral enigmas are a source of much concern to the conservatives. Paradoxically, at a time when Guatemala is on the verge of signing a peace agreement, the parliamentary majority [words indistinct] the military operation against the rebels, for a military victory on the rebels. This is paradoxical.

But beyond these conservative and progressive sectors that somewhat control the legislative branch, the rest of the ideological spectrum is empty. This is regrettable.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

There are these small parties. Many leaders who have no rank and file. People with no capability to convince anybody or to lead anyone.

So I would not be surprised if someone with a serious plan and with a serious group, and capable of presenting honest and clear options to the people, may emerge as a big surprise in next year's elections. I would not be surprised if a constitutional space on the left that is now empty is filled by a nonviolent revolutionary plan such as the one presented by (Mario Pallera). This project could gain the support of former fighters and ideological supporters. I believe that a significant group of them are interested in participating in this. They could represent an option, an electoral alternative.

[Reporter] I think that the main message I would like to convey is that all the citizens listening to us right now should think about this carefully and try to envisage a process for transforming our society.

Honduras

Reina Deploys Military To Combat Crime Wave

PA2309043794 San Pedro Sula TIEMPO in Spanish 22 Sep 94 p 3

[Text] Tegucigalpa—President Carlos Roberto Reina announced yesterday that the Armed Forces will begin patrolling the streets in the near future to help curb rising criminal activity taking place throughout the country.

Reina noted that he has instructed Armed Forces Chief Luis Alonso Discua Elvir to assign military personnel to patrol the streets in order to safeguard private property and to ensure the safety of the population as part of a temporary measure to curb criminal activity in Honduras.

In answer to questions by journalists after having been decorated by the National Congress, Reina said: "There is a specific program. In the next few hours, the military will be seen in the streets and in low income neighborhoods throughout Honduras for everyone to see that the Honduran Government is concerned and determined to protect the population."

The president stressed that he is a proponent of personal security and that the Armed Forces already have implemented a program to protect the population.

For the time being, what we have is a close relationship and common goal among all government branches to guarantee life, property, and the rights of the Honduran people, Reina attested.

He said the conduct of soldiers in the streets will be carefully monitored, adding that the deployment is intended to deal with an emergency—in other words, the rise in criminal activity that concerns the people and against which all of us must unite to prevent.

With respect to transferring the police to civilian control, the president indicated that this is a long process that began some time ago with the creation of an ad-hoc commission during the past administration when the National Investigations Directorate was abolished. Currently, the military police are undergoing a process through which they are being transformed into a civilian police force.

"This is not something that can be done easily or quickly. We must prepare the people involved, as well as depend on the budget. In addition, we must also receive advice, and near-military discipline must be taught to civilians. Nevertheless, this is a process that is proceeding effectively," he stressed.

In terms of corruption and the fact that former National Congress President Rodolfo Irias Navas had been singled out, the president said the Prosecutor General's Office and a special commission are investigating the case.

"I have done nothing more than design a strategy which I believe is most appropriate and which adheres to the state's legal system of allowing the Honduran people to receive some satisfaction. [no closing quotation marks as published]

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Argentina

Menem on Military Salaries Issue, Armed Forces

PY2209163794 Buenos Aires TELAM in Spanish 1130 GMT 22 Sep 94

[Excerpts] Buenos Aires, 22 Sep (TELAM)—President Carlos Menem stressed that the government will not tolerate deliberation within the Armed Forces, admitted that a tight victory of the yes alternative in the Buenos Aires plebiscite [on the gubernatorial reelection issue] might effect the PJ [Justicialist Party], and confirmed that the name of his running mate for the 1995 elections will be announced in February. [passage omitted]

In a report published in today's issue of the newspaper EL CRONISTA, Menem admitted the existence of a salaries lag [retraso salarial] within the Armed Forces. Nevertheless, he emphasized: "I will not tolerate deliberation among military personnel."

Menem noted: "We are holding discussions to discover a way of securing funds, not only for the salary problem, but for the reequipment problem because, after the Malvinas war, the Armed Forces lack the required materiel."

Menem emphasized that the Armed Forces have two roles to play: "The first one involves sovereignty, being prepared to counter an attack, and not to attack themselves. The second one is new: For example, joining the UN blue helmets to keep peace. These are the two aspects that we will enhance." [passage omitted]

Army Chief of Staff Meets Menem, Denies 'Unease'

PY2209181594 Buenos Aires TELAM in Spanish 1540 GMT 22 Sep 94

[Text] Buenos Aires, 22 Sep (TELAM)—Lieutenant General Martin Balza, the Army chief of staff, today denied before President Carlos Menem the existence of alleged proposals within the Armed Forces over the salaries issue.

Menem explained that he met this morning at the Government House with Balza, who told him that "the rumors about proposals and unease within the Armed Forces," prompted by the men-at-arms salaries issue, "are inaccurate."

Upon meeting the new Government House Press Club officials, President Menem pointed out that the Armed Forces "are totally and absolutely subordinated to the political power."

Defense Minister Discusses Military Salaries

PY2209122894 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2255 GMT 21 Sep 94

[Text] Buenos Aires, 20 Sep (NA)—Defense Minister Oscar Camilion today stressed that salary increases for Armed Forces personnel "must be implemented gradually." He noted that the salaries for military administrative personnel "are the puniest."

Concerning conflicts recently prompted by Economy Minister Domingo Cavallo's refusal to increase military salaries and the respective reaction by Armed Forces members, Camilion noted: "It is premature to voice an opinion in this regard." Nevertheless, the defense minister confirmed that the military personnel will receive a salary increase, even though it is necessary to study the way in which it will be gradually implemented.

Camilion noted: "I believe there is no doubt whatsoever that the (increases) must be implemented gradually. Otherwise, it would be fairly difficult, bearing in mind the delay in implementing increases over the past few years."

In this regard, Camilion added that this delay especially affects "the administrative" military area.

The minister said the salary increase issue "is still being reviewed," despite the fact that "the budget bill" has already been submitted "to Congress."

In remarks to a radio station, the defense minister pointed out: "Talks will continue over the next few days, but it is still premature to voice an opinion."

Camilion also discussed reports that Navy personnel had already filed a petition with the courts over the way in which the state pays the Navy personnel's salaries. The defense minister explained that these petitions have been filed by "retired military officers, many of whom are from the Navy," but denied that the court petition had been filed by the entire Navy.

"The petitions challenge the way in which their retirement payment statements are drawn up," explained the minister, adding that retirements "are paid specifying basic retirement or fixed monthly payments."

In this regard, Camilion said there are other supplements, described as "unremunerative," which are paid to military personnel on active duty. These supplements actually are "not included in basic salaries and are not computed," he said.

The defense minister concluded by saying: "This is the point challenged by some retired military officers who want a seniority supplement to be included in their payments."

Bolivia

President Reports 'Commitment' of Police for Haiti

PY2209142294 La Paz HOY in Spanish 16 Sep 94 p 8

[Text] President Gonzalo Sanchez de Lozada reported yesterday that he has a commitment with his ousted Haitian counterpart Jean-Bertrand Aristide to send two

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

police contingents to Haiti once the multinational invasion of that country is completed, with the exclusive objective of "helping out in the democratic restoration process."

"The Bolivian troops will not participate in the invasion of Haiti," Sanchez de Lozada said upon returning from Cochabamba, where he participated in the celebrations marking the anniversary of that department.

He added, however, that the post-invasion police assistance will by no means be large "given our limited possibilities."

Defense Minister Raul Tovar also stressed the fact that whatever the decision level to send Bolivian troops to Haiti, it must be first approved by congress.

Over the past few hours, an official statement by the Foreign Ministry said that the government intends to send "a police contingent for monitoring purposes" to that country.

Further on Decision Regarding Haiti

PY2209143794 Cochabamba LOS TIEMPOS in Spanish 16 Sep 94 p A2

[Text] Bolivian President Gonzalo Sanchez de Lozada said today that Bolivia will not send any contingent of troops to the multinational force that will invade Haiti, despite the official request by the United Nations, but that it will cooperate with the UN peace force of blue helmets.

"We are not going to send troops at all. We have been asked, but President (Jean Bertrand) Aristide has said that if he returns to the presidency, he would like to have assistance to reorganize the police in Haiti," the president said.

Thus, according to a Foreign Ministry communique, Bolivia will only send a group of police to cooperate in the reorganization of the Haitian police, infiltrated by the well-known "Ton-Ton Macoutes," paramilitary agents at the service of General Raoul Cedras' regime.

The president said that the country will not participate in the multinational invasion force but will cooperate, should economic resources permit, with the UN forces that are against the invasion but that preserve the regional peace.

"We have told the United Nations that later, if there is a mission for the blue helmets, Bolivia would like to cooperate, according to its limited economic possibilities, but at no point are we going to participate in the invasion and occupation of Haiti," the Bolivian president said.

COB, Government Sign 45-Point Agreement

PY2309032794 La Paz Television Nacional Network in Spanish 0100 GMT 23 Sep 94

[Report by Amalia Pando]

[Text] The COB [Bolivian Labor Federation] and the government proceeded to sign an agreement tonight at 2055. It took all those involved 20 minutes to sign it.

The coca farmers welcomed this agreement with smiles on their faces. There were even some jokes exchanged. The coca farmers were those who obtained the most out of this agreement: There will be no forceful eradication of coca farms; the government will promote the revision of Law 1008; negotiations will be undertaken so that those organizations financing alternative development programs will not condition their aid on the eradication of coca; the government will request that the courts issue a favorable ruling in favor of Evo Morales and other coca farmers leaders in the trial that started 25 days ago; and there will be a gradual withdrawal of police forces from Chapare, though there is no mention of the DEA in this agreement. As for the educational reform, the teachers union continues to uphold its position, and together with the COB it will continue negotiations with the government.

In total this agreement encompasses 45 points, which are drafted on 10 pages summarizing 25 days of conflict. At the last minute Vice President Victor Hugo Cardenas joined the negotiations in the fourth labor conflict this administrations has faced. With the final agreement in his hands, Vice President Cardenas will go to San Francisco Square, where he is awaited by the coca farmers who marched on La Paz. After the expected speeches and embraces, the vice president will see them off to Cochabamba in 30 buses that were specially hired by the government. This will mark the end of this labor conflict, from which the COB has come out quite strengthened.

Brazil

Poll: Cardoso Lead Decreasing; Runoff Possible

PY2309033594 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Sep 94 p A14

[Text] The growing number of undecided voters could make a presidential runoff election necessary. According to the latest poll conducted by the Gallup Institute from 15 to 20 September, the number of voters who are planning to cast a blank or voided ballot has increased from 7.8 percent to 9.2 percent from one week to the next, while the number of undecided voters increased from 10.1 percent to 11.9 percent.

With the election only two weeks away, PSDB [Brazilian Social Democracy Party] candidate Fernando Henrique Cardoso continues to lead in the polls, but his lead over his adversaries has dropped to 3.3 percent; that is, close to the margin of error allowed for any poll (either 2 percent above or 2 percent under). A week ago Cardoso's lead over the total votes of his adversaries stood at 4.3 percent. To be able to win the elections in the first round, Cardoso must obtain half plus one of the valid ballots.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Voters' preference for Cardoso dropped from 43.2 percent to 41.1 percent. Support for his main contender, Luiz Inacio Lula da Silva (PT) [Workers Party], also dropped by 1 percent: Lula now has 20.6 percent. Because the standings of the other candidates have remained virtually unchanged, the growth in the number of undecided voters could account for the drop in support experienced by both Cardoso and Lula.

Gallup Director Carlos Matheus believes that "Cardoso may have lost support because all the other candidates have in recent days concentrated their attacks on him, and such attacks usually provoke a rise in the number of undecided voters." Matheus added that "the difference may also stem from a natural oscillation of the survey, or from a normal increase in the number of undecided voters, an increase which is quite common during the final stretch of any electoral campaign." Matheus believes, however, that "Cardoso's position remains stable, and two points less do not mean a drop."

Orestes Quercia of the Brazilian Democratic Movement Party continues to hold third place with 5.8 percent of the votes. He is followed by Eneas Carneiro (Party for the Redefinition of the National Order), with 4.6 percent; Leonel Brizola (Democratic Labor Party), 4 percent; Esperidiao Amin (Progressive Renewal Party), 2.5 percent; Carlos Gomes (National Reconstruction Party), 0.2 percent; and Admiral Fortuna (Social Christian Party), 0.1 percent.

The Gallup Institute polled 2,667 voters from 15 to 20 September in 147 cities and 18 states. Voters were interviewed in their homes, and the sampling was decided through successive drawings to choose the city, neighborhood, block, house, and voter. All state capitals have been included in the survey. Voters have expressed their preference twice: First they mentioned the name of their favorite candidate. Then the voter checked the name of his candidate on a card containing the names of all elegible candidates.

Ibope Poll: Cardoso Leads With 45 Percent

PY2309034294 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 22 Sep 94

[All figures as heard]

[Text] If the presidential elections were held today, Fernando Henrique Cardoso of the Brazilian Social Democracy Party would be the winner with 45 percent of the votes. In second place would be Luiz Inacio Lula da Silva of the Workers Party, with 21 percent. Third would be Orestes Quercia, of the Brazilian Democratic Movement Party, and Eneas Carneiro, of the Party for the Redefinition of the National Order, with 5 percent of the votes. Presidential candidate Leonel Brizola, of the Democratic Labor Party, would have 4 percent of the votes. Esperidiao Amin of the Progressive Renewal Party would have 2 percent, while Carlos Gomes of the National Reconstruction Party would have 1 percent. Blank and void votes, as well as votes of those who still have not made up their minds, would add up to 17 percent. Admiral Fortuna, of the Social Christian Party, has been mentioned, but the number of people who support him has not reached 1 percent.

According to the Brazilian Public Opinion and Statistics Institute, Ibope, the poll results indicate that there would not be a runoff, and that Cardoso would obtain 7 percent more votes that those received by all other candidates put together.

In another diagram we can see the performance of the candidates since June. Brizola had 8 percent of the votes in June, dropped to 6 percent in July, and lost one more point in August. In the beginning of September he lost one more point, and has maintained the same 4 percent level since then.

Quercia had 6 percent in June and dropped to 4 percent in July. In August he went down further, to 3 percent, and then went up to 5 percent. He has been maintaining this same level since.

Carneiro had 2 percent in June. In July he went up to 3 percent, and again down to 2 percent. In August he went up to 4 percent and now to 5 percent.

Lula had 39 percent in June and went down to 30 percent in July. In August he lost 5 more points. At the beginning of September he lost one more point, and recently one more point. He now has 21 percent.

Cardoso had 17 percent in June and went up 10 points in July. In August he jumped to 45 percent. In the beginning of September he lost two points, and has now gone up again to 45 percent.

Ibope interviewed 2,000 voters countrywide from 18-21 September.

PC Denies Giving Money to Cardoso's Running Mate

PY2209180094 Sao Paulo AGENCIA ESTADO in Portuguese 2104 GMT 21 Sep 94

[Excerpt] Brasilia, 21 Sep (AE)—On 21 September, businessman Paulo Cesar Farias, or PC, told Federal Police Chief Paulo Lacerda that he had never given so much as one cent to Senator Marco Maciel (PFL-PE) [Liberal Front Party-Pernambuco], Fernando Henrique Cardoso's running mate. This deposition was made with regard to the issue of the ghost account that swelled the coffers of the PFL in Pernambuco State. PC confirmed the transfer of $8 million to Pernambuco Governor Joaquim Francisco (PFL).

In an interview with VEJA magazine, businessman Fabio Catao made charges against Maciel and Francisco. Catao, who was the boyfriend of one of Maciel's daughters, claimed that the vice presidential candidate had used money deposited by PC. Having limited resources for his election campaign, Maciel had allegedly asked the

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

PFL campaign headquarters for financial help. Senator Maciel denied these charges.

According to PC's deposition, $5 million of the $8 million was transferred to Joaquim Francisco in 1989, when he was still Recife mayor and political coordinator of the then presidential candidate Fernando Collor's election campaign. The remaining $3 million was given to Francisco in 1990 to help him in his campaign to win the Pernambuco governorship. PC denied that this money had been obtained by blackmailing entrepreneurs. He contended that it was a contribution for the campaign for the presidency and the governorship.

During the deposition, PC told Lacerda that it was Francisco himself or his aides who gave instructions as to the accounts in which the money was to be deposited. PC denied any link with the ghost account opened at the Boa Viagem branch of the Itau Bank in Recife, the holders of which were Carlos Souto and Ana Terra Soares. According to PC, they were the "people" who managed the funds for Francisco's election campaign. [passage omitted]

Finance Secretary Fritsch Interviewed

PY2309012594 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Sep 94 p B3

["Highlights" of interview with Economic Policy Secretary Winston Fritsch by Beatriz Abreu and Jocimar Nastari; place and date not given]

[Text] [O ESTADO] Entrepreneurs are complaining about the early reduction of import tariffs. What does the government think of that?

[Fritsch] This measure is consistent with the economic program; it fights price increases and checks the demand for dollars. If the economy continues to grow, the measure will have short-term effects. It will not produce unemployment. Its only effect will be a greater specialization of manpower.

[O ESTADO] Carlos Eduardo Moreira Ferreira, president of the Sao Paulo State Federation of Industries (FIESP), said the government broke off dialogue and reduced tariff at an earlier date.

[Fritsch] No, of course that did not happen. Moreira Ferreira reacted to exaggerated press reports that the government would reduce tariffs to zero. The reduction of tariffs was no surprise at all. Entrepreneurs were aware that it would occur in January, within Mercosur [Common Market of the South]. Reducing tariffs three months in advance will not harm anyone. We were unable to previously announce the measure, because imports would have been suspended until tariffs were actually lowered.

[O ESTADO] Was the measure discussed with entrepreneurs?

[Fritsch] The specific measure? I believe all conversations took place during the definition of the Common External Tariff [TEC] negotiated within Mercosur. No major modification was introduced into the TEC. Earlier implementation does not entail breaking a dialogue.

[O ESTADO] What will Finance Minister Ciro Gomes tell entrepreneurs during lunch at the FIESP building on 19 September?

[Fritsch] The measure is consistent with the real plan. Since we have no price control, the reduction of tariffs guarantees there will be more competition among enterprises and that prices will be controlled. Furthermore, it will promote a demand for dollars. In the long term, the liberalization of the economy will promote efficiency and productivity.

[O ESTADO] Import tariff reduction will have immediate effects on the car manufacturing sector. Some entrepreneurs believe the government will back down and include cars in the Mercosur list of exceptions.

[Fritsch] Mercosur negotiations give each country the right to a list of exceptions. In the case of Brazil, the list—which will be finalized on 7 October—is limited. There will be exceptions, but not for cars.

[O ESTADO] General Motors announced it may reconsider its decision to open a third factory in Brazil. They claim it is cheaper to import cars than to manufacture them in Brazil. Do you think this is just a pressure move?

[Fritsch] I would rather not interpret political motivations. I can analyze only economic factors. The opening of the market will make car manufacturers specialize on lines in which Brazil is more efficient. I believe abandoning the production level on the domestic market is a very bad deal. Brazil is an immense potential market. We have a very large young population, a growing population who want to buy cars. The sector can specialize in one area, giving up the manufacture of some luxury cars. Manufacturers will know what to do.

[O ESTADO] Entrepreneurs and metalworkers would like to reopen the government-management-labor negotiating board this week, to discuss an agreement signed in 1992, and also the possibility of anticipating the collective agreement renewal date...

[Fritsch] I believe the board is a useful instrument for interaction between the private sector and the government. It is also an essential communication channel. Performance criteria can be more efficiently analyzed at the board. As for anticipating the collective agreement renewal date, it is only a possibility.

[O ESTADO] Entrepreneurs also want to review the taxation issue. What do you think, for example, of the almost total tax exemption for popular cars?

[Fritsch] I think there was a very sudden reduction to the IPI [Tax on Manufactured Products] paid on popular cars. The IPI paid on popular cars is very different to the IPI paid on powerful cars.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

[O ESTADO] Why did the government ban the salary adjustment metalworkers while aiding state banks in trouble, like BANESPA [Sao Paulo State Bank] and BANERJ [Rio de Janeiro State Government]?

[Fritsch] In both cases, the government sought the common good, not the interest of one sector. We are talking about apples and oranges. The government prevents a sector from granting a salary adjustment to prevent bad effects on the plan. On the other hand, by aiding a financial institution, the government is also preserving collective interest. If no aid were granted, it would badly affect the plan. If a large bank has problems, it can provoke generalized bad effects in the financial sector, in the intermediate sector. Failing to aid a large bank would be like allowing salary indexation, because in both cases the plan would be jeopardized.

[O ESTADO] In other economic plans, state banks were a bother for the government. Do you think the next government and the new governors will improve the financial health of state banks?

[Fritsch] I believe this is a matter of the utmost importance for the Brazilian monetary policy. Yet it is extremely complex from a political viewpoint. Some of those banks became gigantic commercial banks. Privatization might be a solution, but this is like the story of [late famous Brazilian soccer player] Garrincha, during the game against the USSR team in the World Cup in 1958. In other words, we should see whether bank owners want privatization. I believe it would be interesting if states make the decision. I believe that would make sense. A state may need a development bank, instead of a commercial bank. Commercial banks always become a source for financing expenses.

[O ESTADO] Does the help to state banks prove the Central Bank tightened the monetary policy too much?

[Fritsch] We warned that we would implement a real stabilization program. We said inflation would drop. A commission prepared an adjustment program for federal banks. The plan was previously announced, reporting even the hour at which it would be implemented. I believe banks had enough time to adjust themselves.

[O ESTADO] Did the Central Bank tighten liquidity regulations too much?

[Fritsch] No. The banks had a deadline for making adjustments. We saw that some state banks did not make the adjustments to face a situation that was already announced. We warned that the plan could cause problems for banks that did not adjust their managerial costs in order to adjust to the inflation drop.

Antinarcotics Operation Tocaia Described

PY2009193094 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 18 Sep 94

[Text] After nearly two years of investigations, more than 50 arrests, the confiscation of 7 metric tons of cocaine, and the participation of police agents from five countries in a major international drug trafficking inquiry, a link has been discovered between the Calabria mafia and the Cali cartel operations in Brazil.

O Fantastico program had exclusive access to the operation and found, in Rio de Janeiro, the man Interpol believes to be a powerful Mafia chief.

July 1994, Turin, Italy: A total of 43 Mafia members are arrested during the largest cocaine seizure in Europe: 5 metric tons hidden inside a shoe shipment. The container arrived at the Port of Genoa and taken by truck to Turin, northern Italy. The investigation was handled by Brazilian Federal Police intelligence agents, and Swiss, American, and Bolivian policemen. This was the excellent result of a joint effort that began last year.

Investigations show that prior to this record cocaine seizure in Turin, three other ships loaded with cocaine left the port of Santos, Sao Paulo, with the same destination: Italy. These shipments were not seized. The investigations also show that the cocaine was destined for U.S. and European markets, and that it had been ordered from the Cali cartel by a faction of the Calabrian mafia that had begun to operate outside Italy.

Following a split among the Italian mafia, some families came to Brazil and others to Venezuela from where, according to Interpol, they continued to administer their illegal businesses. The most powerful family came to live in Copacabana, Rio de Janeiro.

Interpol records show that the chief of this family is Sicilian Giusepe Caruana. In 1984 he was tried by the court of Palermo for being member of the Mafia and for drug trafficking. Interpol records also show that Caruana is linked to other mafia families. He lives in an apartment inside this building on Copacabana beach.

With one eye covered as result of a surgery, Caruana does not seem to be a sought-after mafia member. He did not want us to record the interview, but we left the camera running. Caruana said he has been living in Brazil for the past 30 years and that the charges are false. [Caruana's words indistinct]

Throughout the one and one-half years that Operation Tocaia lasted, the police from the five mentioned countries also followed Raul Alvarez Diaz, a Venezuelan who is believed to be the link between the Italian mafia and Cali cartel drug traffickers. Alvarez Diaz was filmed and photographed by police agents at the Salgado Filho airport in Porto Alegre. He confirmed the shipment of 2 tonnes of cocaine from Brazil to Italy last year. The drug was allegedly supplied by Bolivian Lorgio Nunez Vaca, aka Yoyo, the Cali cartel man. He was also photographed by the police as he arrived at the Sao Paulo airport.

For more than a year the Brazilian Federal Police watched the preparations for sending the drug to Italy. One of the main places the police watched is this place in the forest by a small airport near Novo Hamburgo in the

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

metropolitan region of Porto Alegre. They controlled the arrivals and departures of the traffickers' planes.

However, whenever they had to unload cocaine, the traffickers used this deserted beach, 180 km from Novo Hamburgo. A small airplane unloaded the first 500 kg of cocaine on Capao Novo beach, 150 km from Porto Alegre. The cocaine was taken by truck to a warehouse in Sao Leopoldo, also in greater Porto Alegre. Police agents also detected the arrival of another truck which this time transported 1.5 metric tons of cocaine hidden inside corn bags. All this was filmed by the police.

With their faces covered so as not to be identified, police intelligence agents broke into the warehouse with a dog trained to detect cocaine. The dog went straight to some stacks of hides that were ready for export. The drugs were soon found inside wooden boxes covered by aluminum and camouflaged among the hides. The police seized 2 metric tons of cocaine and arrested 28 individuals, among them Paulo Militao, the chief of the Brazilian connection, and Mario Davila, former president of the Sao Leopoldo city council.

The police compared their information with that from the record seizure in Turin last July. They discovered that the shipment of hides, which contained the cocaine, had been imported by the same Swiss company involved in importing the 5 metric tons of cocaine seized in Italy. What is more, the owner of the company is mafia member Afonso Caruana, a nephew of Giusepe Caruana, the Mafia chief who lives in Rio de Janeiro.

One of the agents who assembled the information on this drug route, spoke with journalist Aroldo Machado.

[Begin unidentified police agent recording] The Cali cartel buys drugs from Bolivian laboratories. Brazil is used as a corridor to send this cocaine to Europe given the large amount of exports that are shipped from here. The cocaine that was confiscated, for example, was hidden among some hides and was being exported to the (General Tenemus) company in Lugano, Switzerland. The drugs were supposed to be detoured in the Port of Genoa where Italian mafia members were expecting it, from where it was to have been distributed all over Europe. [end recording]

The arrests took place in Italy and in Brazil. The joint operation converged on the cocaine production center. Bolivian police and U.S. DEA agents broke into the Bolivian laboratory that manufactured the cocaine that had been confiscated in Brazil and in Italy. The laboratory installations were very precarious. It comprised a camp in the middle of the Bolivian jungle, 240 km from the city of Santa Cruz de la Sierra, Bolivia. It had a clandestine landing strip, a small plane, a radio transmitter, weapons, chemical precursors, and a lot of cocaine. Among the traffickers arrested was a big fish: Lorgio Nunez Vaca, Yoyo, from the Cali cartel. Everything was filmed by the Bolivian police who lent O Fantastico program this video on this huge joint antidrug operation. All the traffickers arrested in Bolivia and Italy are still in prison. Not all those arrested in Brazil are still in prison.

Police efforts to film, photograph, and record telephone conversations have been of no avail. Of the 28 caught red-handed with 2 metric tons of cocaine, 11 are still in prison and they may yet be released. Their lawyers have appealed to the Federal Regional Court of Porto Alegre. All the property confiscated from the gang, including the cars and planes used for trafficking, have been returned to their owners by court decision. Only the $50,000 confiscated by the police remains in a state bank.

More than 20 lawyers are working on this case which already has 11 volumes of documents. The attorney general's office is seeking a revision of the court decision, the longest sentence of which is 12 years in prison. Manoleto Cunha, the police officer responsible for the investigation, is disappointed with the Brazilian courts.

[Begin Cunha recording] Brazilian law does not recognize certain evidence. Our investigation is based on photographs, films, videos, and mainly on recorded telephone conversations. The evidence we obtained is not recognized by Brazilian law, it thus benefits the traffickers. [end recording]

Judge Opposes Nuclear Waste Dump in Minas Gerais

PY2209183594 Sao Paulo AGENCIA ESTADO in Portuguese 1919 GMT 21 Sep 94

[Text] Belo Horizonte, 21 Sep (AE)—Ronaldo Tovani, judge of Caldas County, southern Minas Gerais, today began granting interviews to various mass media of the state. He thus began a campaign to prevent 732 tons of yellow cake [preceding two words in English] (enriched uranium) and 500 tons of Cake II (a material that contains uranium and thorium, which are radioactive elements) from being transported from the Santo Amaro plant (Usam), in Sao Paulo, to Caldas, where they would be held. The material is scheduled to arrive in Caldas in December, and will be placed in Nuclear Industries of Brazil (Ineb) storage facilities.

"If the Minas Gerais government permits this, the state will be known as a radioacive waste dump," Tovani said. In 1982, Tovani himself issued a provisional resolution demanding that, before bringing the radioactive material, Ineb build appropriate storage facilities for the products. The material had to be taken from Usam, which is unsafe. According to Tovani, the storage facilities are ready and "for the time being they are within the law." "Yet with time they will deteriorate, and no one can guarantee their regular maintenance," he said.

According to Tovani, Sao Paulo managed to get rid of the material thanks to the state government pressure on the Secretariat of Strategic Affairs of the federal government. "The Secretariat had no place to put this material,

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

and found Minas Gerais, whose people are calm and docile, and who will welcome the material," he said.

According to Jose Claudio Junqueira, director of the environmental control department of the State Environment Preservation Foundation (FEAM), the Minas Gerais government is not officially aware of Ineb's decision to store the material in Caldas.

Chile

Microphone Found Under RN President's Desk

PY2209185294 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1100 GMT 22 Sep 94

[Text] National Renewal Party [RN] Secretary Roberto Ossandon reported that a concealed microphone was found at the party headquarters in Santiago.

Ossandon disclosed that the microphone was found by coincidence, by workers doing repairs at the party premises.

The microphone was found under the desk of RN President Deputy Andres Allamand. Ossandon said they were awaiting a Carabineros report that has still not disclosed any details on the findings.

[Begin recording] [Ossandon] Well, we had a worker doing repairs at the party headquarters at night. The worker, who was working precisely in Andres Allamand's office, found the microphone under his desk when he was looking for a screw he had lost. I received the microphone early this morning and informed Andres Allamand and the Carabineros about it. Carabineros came to inspect the building and confirmed it is a high fidelity electronic microphone. Carabineros have taken the microphone to carry out all the corresponding investigations.

[Unidentified reporter] How big was the microphone?

[Ossandon] It is very small, about two to three centimeters, and one centimeter thick. Carabineros confirmed that it is an electronic microphone, but they still have to carry out all the technical investigations. We also asked them to check the party headquarters for other similar devices, but they do not seem to have found any. [end recording]

Ossandon added that they have no idea about the origin of the microphone.

Colombia

Guerrillas Fire on Helicopter Carrying U.S. Officials

PA2309002194 Hamburg DPA in Spanish 2309 GMT 22 Sep 94

[Text] Bogota, 22 Sep (DPA)—A helicopter carrying Colombian Defense Minister Fernando Botero, U.S. Assistant Secretary of Defense Brian Sheridan, U.S. Ambassador Myles Frechette, and ranking military commanders was attacked today by alleged Communist guerrillas, but no one was injured, according to "RCN" radio network.

The attack was launched from a jungle area in southern Caqueta Department, where Botero had invited the U.S. officials to witness operations by the Narcotics Police who, hours earlier, had destroyed two large cocaine labs.

According to "RCN," the subversives fired at a fleet of five helicopters, but only one, which was transporting reporters and television cameramen, was hit by gunfire.

The helicopters left this morning (local) from the city of Neiva for a jungle area in Caqueta, which over the past few months has been the subject of intense antinarcotics efforts by authorities, who have destroyed labs, clandestine landing strips, and illegal cocaine and poppy plantations, according to official spokesmen.

Nevertheless, the serenity of the trip was interrupted near the town of San Vicente del Caguan, 290 km south of Santa Fe de Bogota, when the helicopters came under ground fire from suspected guerrillas.

A press report said the helicopter in which Botero, Sheridan, and Frechette were riding was not hit and was able to flee from the attack. Meanwhile, one that was transporting reporters was hit twice but was not seriously damaged. In the other helicopters were the commanders of the Military Forces and the Army, Generals Ramon Gil and Hernan Guzman, respectively; Police Director Gen. Octavio Vargas; and officials in charge of the antinarcotics struggle.

FARC Front Blamed for Attack

PA2309010294 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 23 Sep 94

[Report by Yolima Celis; from the "Seven O'Clock Newscast"]

[Text] Attention. A very serious international incident nearly took place today when guerrillas in Caqueta opened fire on two high-ranking U.S. Government officials, the Colombian military leadership, and the defense minister as they attempted to land in five helicopters. The landing was aborted, and the helicopters immediately turned back. Reporters from "The Seven O'Clock Newscast" and the "QAP Newscast" were on board the only one of the five helicopters hit by guerrilla fire. Here are the striking details:

The group was unexpectedly greeted by gunfire from a FARC [Revolutionary Armed Forces of Colombia] front which, according to authorities, is in charge of protecting drug labs in the eastern mountains. Traveling in the fleet of five helicopters was U.S. Assistant Secretary of Defense Brian Sheridan, U.S. Ambassador Myles Frechette, Colombian Defense Minister Fernando Botero, and the Colombian military leadership, including

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Military Forces Commander Ramon Emilio Gil Bermudez, Army Commander Hernan Jose Guzman, Police Director Octavio Vargas Silva, and Narcotics Police Director Leonardo Gallego.

The main goal of the high-level U.S. delegation was to get a first-hand look at how antinarcotics operations are conducted in Caqueta. Nevertheless, the security situation prevented the helicopters from landing.

The shooting incident occurred about 40 minutes after the flight began from the military base in Caqueta, and the helicopter carrying reporters was forced to maneuver to avoid the gunfire. The armored helicopter carrying the "Seven O'Clock Newscast" crew immediately returned the guerrillas' gunfire, but it was hit four times, once in the tail rotor, which could have downed it.

[Begin recording] [Yolima Celis] Did you not fear the people who were with you might be in danger?

[Helicopter pilot Captain Julio Sandoval] Yes, there was a moment when I did. Fortunately, however, the problem was resolved, and we returned to base without further incident. [end recording]

The group traveled to Caqueta to see two laboratories that had just been uncovered by the Narcotics Police. Following the attack, the operation was canceled, and the high-level commission returned to the base at Tres Equinas, Caqueta.

In the opinion of the authorities, the very serious incident that just took place could have a positive effect; it could generate more assistance from the United States for the struggle against drug trafficking.

Police Capture 2 Suspects Linked to Pablo Escobar

PA2309022594 Santa Fe de Bogota EL ESPECTADOR in Spanish 17 Sep 94 pp 1A, 11A

[Text] Carlos Mario Vasquez Arroyave, a.k.a. Serapio, and Juan Carlos Rodriguez Sanchez, a.k.a. Risas, lieutenants to drug trafficker Pablo Escobar Gaviria who was gunned down by police, were captured yesterday by the Prosecutor's Office in Antioquia. The men are believed to be responsible for kidnapping several people and perpetrating several terrorist attacks.

It also has been reported that the bodies of Colombian citizens Manuel Ojeda, 61; his wife Cleofe Ojeda, 52; and Amparo Gutierrez, 51, were found in a Queens, New York, apartment.

The two terrorists captured by members of the Technical Investigations Department of the Antioquia Regional Prosecutor's Office belonged to the criminal gang led by Iran Giovanny Lopera Zabala, a.k.a. La Modelo, also a lieutenant to drug capo Escobar Gaviria.

According to the authorities, Vasquez Arroyave and Rodriguez Sanchez have been charged with conspiring to commit terrorist acts and several other crimes, including kidnapping EL TIEMPO Chief Editor Francisco Santos Calderon; Maruja Pachon de Villamizar, former Focine manager and former education minister; and Diego Montoya, son of former Presidency Secretary German Montoya Velez. In addition, they are charged with kidnapping and assassinating Marina Montoya Velez and detonating car bombs in Santa Fe de Bogota and Barrancabermeja in attacks that killed a large number of people and injured many others.

The two terrorists were captured at the intersection of 33d Street and the southern freeway while riding in a Renault. Authorities seized a pistol and counterfeit documents. The men were imprisoned at Bellavista national prison, where they are being held under strict security measures.

Furthermore, the Metropolitan Police have reported the capture of a 16-year-old girl who has been charged with assassinating Ramon Emilio Urrego, 35, a member of FARC's [Revolutionary Armed Forces of Colombia] Bolivarian Militia, on Thursday afternoon near La Alpujarra administrative office on 44th Street and 51st Avenue. According to the official report, the girl was caught in possession of a revolver thought to be the weapon used to kill Urrego.

The police reported that Urrego worked as contractor in the United States and belonged to the FARC's Bolivarian Militia operating in northwest Medellin. Several community and civic organizations, however, maintain that Urrego was a prominent community leader in this area of the city. The girl was turned over to the regional prosecutor's office.

Also, six minors, members of the demobilized People's Militia, were caught by police while in possession of two stilts [changones] during a raid at the intersection of 102-B Street and 34th Avenue, Granizal neighborhood. The group includes two watchmen from Coosercom [Cooperative of Community Services], the cooperative managed by former members of the People's Militia who have been reincorporated into the society.

Government To Honor Agreements With Medellin Cartel Members

PA2209230294 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 22 Sep 94

[Report by Alvaro Ayala from the "24 Hours" newscast]

[Text] Justice Minister Nestor Humberto Martinez today stated that the government is not interested in causing any controversies over penalties imposed on Medellin Cartel lieutenants who have acknowledged their crimes.

The government stressed today that it intends to respect all agreements made by the Office of the Prosecutor General and all sentences delivered by faceless judges against Medellin Cartel lieutenants for crimes to which they confessed while working for Pablo Escobar.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

As previously reported, Prosecutor Alfonso Valdivieso requested a reevaluation of all negotiations currently being handled by the prosecutor's office involving Carlos Mario Alzate Urquijo, alias "El Arete," John Jairo Velasquez Vasquez, alias "Popeye," as well as other Medellin Cartel members.

[Begin Valdivieso recording] The Office of the Prosecutor General interprets Law 81 somewhat differently from what the former prosecutor general directed. [end recording]

According to preliminary information, all those criminals who have already confessed to their crimes will serve between seven to nine years in prison.

Samper Calls U.S. Regulations on Roses 'Mistake'

PA2209161294 Santa Fe de Bogota EL ESPECTADOR in Spanish 17 Sep 94 p 5B

[Text] Colombian President Ernesto Samper Pizano declared yesterday that Colombia will use every diplomatic means available to make the United States see its mistake in changing the dumping system and in regulating national roses.

The president thus expressed his support for rose exporters after the 33.87 percent tax levied on this product by the U.S. Commerce Department in response to alleged unfair trade practices on that market.

Although this is still only a preliminary decision in the wake of a complaint filed last February by U.S. flower growers, its effect began to be felt yesterday.

Colombian flower growers insist they have not been dumping. It only seems like they have because of the way in which the U.S. antidumping law has been applied to a perishable product like flowers.

Samper announced that a team of Colombian lawyers acting on Colombia's behalf will be formed to contact their U.S. counterparts.

Foreign Trade Minister Daniel Mazuera Gomez, after conducting efforts to this end in Washington, said the U.S. Government promised to study the problem.

He added that "we want to open the U.S. Government's eyes and tell it forcefully, but respectfully, that this is a surprising and unfair measure."

Rejection by Labor

Meanwhile, the National Labor Council rejected the decision by U.S. trade authorities on the roses.

"National labor leaders think this decision and implementation procedures contradict the free trade policy which the U.S. Government defends in GATT. It also stands in contrast to the frank opening of the Colombian market to the entry of goods, services, and investments from the United States," they said.

The country's business sector, they added, cannot understand how constructive initiatives adopted by the U.S. Government to strengthen Colombia's economy, with the purpose of confronting the drug trafficking plight, such as Atpa [not further identified], are annulled through protectionist measures like the one applied to Colombian roses.

The National Labor Council notes that any possible ratification of this decision will generate incredulity within the Colombian private sector about the value of continental trade integration.

Ecuador

President's Economic Reforms Analyzed

94SM0461A Quito VISTAZO in Spanish 4 Aug 94 pp 5-7

[Article by Carlos Jijon]

[Text] The Duran-Ballen administration has gradually and almost silently transformed the economic structure of the country. In two years, from the time it occupied the Carondelet Palace with the support of the multitudes to this midterm point, with an opposition Congress and a popular acceptance level of 14 percent (according to the survey by the CEDATOS [Ecuadorian Data Company] last month), the government has transferred a number of state enterprises to the private sector. And what is still more important, it has laid the groundwork for incursions by private enterprise into activities such as those in the customs, hydrocarbons, electrical, and telecommunications sectors, that were previously reserved exclusively for the state. The tremors are such that the country will not be the same when President Duran-Ballen hands over the reins in August of 1996. In the view of many people, the situation will be much like that in the 1960's, prior to the oil boom and the explosive expansion of the state. As the passage in Ecclesiastes has it, "What was will be again. What was done will be done again. There is nothing new under the sun."

The president has taken matters firmly in hand, and despite the descriptions of him as indecisive, has implemented the harshest adjustment program since the crisis began early in the 1980's. The first thing he did, in his determination to end the deficit, was to increase the income of the state at a drastic rate. As he could not do this by means of taxes, he turned to other methods of collecting funds. In September of 1992, fuel prices were increased by 115 percent, electricity rates by 120 percent, telephone rates by a similar percentage, and a one-time tax on business assets was established. The adjustment was made dramatically more severe in January of 1994 when fuel prices were increased by an additional 68 percent. And there was an additional element—the new Law on Hydrocarbons approved by the Congress made it possible to make monthly price adjustments as a function of the movements in the dollar

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

rate. It includes a mechanism to be used to compensate for any reduction in fiscal income caused by a drop in the price of oil below $13 per barrel. The current fiscal income from the sale of fuels on the domestic market represents 4 percent of the gross domestic product.

On the other hand, the expenditures of the bureaucracy were reduced. This is a dirty job, but someone had to do it. In 1993, the number of government employees was reduced by 5 percent (affecting some 21,000 individuals, some of whose contracts were not renewed, while others agreed to a voluntary retirement program, receiving compensation representing up to 24 months' wages). Furthermore, it is expected that the government payroll will be reduced by another 20,000 jobs this year.

Implementation of the adjustment measures and the stability of the dollar (which at the beginning of the administration was equal to 2,000 sucres) have been the key elements in the most successful of the government's programs—the battle against inflation. As of December 1992, the level of inflation was 60 percent, while by December of 1993, it had been reduced to 31 percent. The plan is designed to reduce inflation to 20 percent by the end of 1994 and to less than 15 percent by December of 1995. On a parallel basis, the level of international monetary reserves reached the equivalent of four months' imports of goods and services (the allowable minimum is the equivalent of three months' imports). And the gross domestic product increased by two percent in 1993 (although the ideal is growth of at least five percent per year).

Overcoming the fiscal deficit enabled the government to reach an understanding with the International Monetary Fund resulting in the signing of an agreement with the creditor bank for the refinancing of $7.6 billion of the foreign debt—$4.5 million representing capital, and the balance, interest. The agreement restructured the capital debt on the basis of a discount of 45 percent over a period of 30 years. In 1994, the government will have to pay a total of $135 million in interest, and over the next six years, it will pay the sum of $230 million per year, to be increased in the subsequent years. From one point of view, the renegotiation was a success. A report drafted by the Consulconti enterprise emphasizes that Ecuador has effected a greater debt reduction than have countries such as Brazil, which arranged a discount of 35 percent last year, or Polano, which obtained a discount of 42.5 percent in March of this year. From other points of view, such as that of a former vice president, Leon Roldos, "The bulk of the burden of the debt has been postponed to the future, mortgaging the future." In the opinion of the former manager of the Central Bank, Eduardo Valencia, "The economy will be in difficulty if $230 million must be repaid every year," and "the authorities will find themselves forced to make a foreign-exchange adjustment in order to generate extra foreign exchange."

But according to the government's philosophy, neither the renegotiation of the debt nor the adjustment will produce results without a structural change in the state. With the approval of the modernization law at the end of last year, and the strengthening of the National Modernization Council (CONAM) thanks to the presidency of Marcel Laniado, the government is making progress in its program for augmenting the role played by the private sector in activities previously managed by the state. In December of last year, the Congress approved the amendments to the Law on Hydrocarbons, allowing greater private participation. In March, the new Customs Law enabled the private sector to begin providing some customs services, such as control, appraisal, and storage. At this point, just days before the new deputies are to take office, it seems clear that the Congress, during this session, will not approve the new electrification or telecommunications laws allowing the privatization of these services.

The former law was submitted via the regular route, while the latter has become bogged down in the plenary sessions of the commissions that vetoed an initial draft law of an urgent economic nature, and as this edition goes to press, are preparing to reject a second proposal submitted by the president. However, whether it is by means of a law proposed by the executive branch or one presented by the Social Christian bloc, it is likely that in one way or another, both sectors will be in private hands before the government term ends.

But the president has not always been successful in his efforts to modernize the country, turning back the hands of the clock. The draft agrarian development law (sponsored by the Quito Chamber of Agriculture, and approved, in essence, by the Social Christians), which put an end to the process of agrarian reform, provoked a violent reaction on the part of the CONAIE [Confederation of Indian Nationalities of Ecuador]. And in the final analysis, thanks to the mediation of the church, the law was amended, with the approval of the Indians themselves. This conflict served not only to confirm the emerging Indian leadership, but also to identify the entities that have influence with the government. While during the government administration of Febres Cordero, these bodies were the Chambers of Industry and Commerce on the coast, and during the Borja administration, the dominant entity was the golden bureaucracy of the Economic Commission for Latin America, it is easy, in the Duran-Ballen administration to observe the influence of the Bishops' Conference and the old landowners in the mountain regions.

If the adjustment is the main achievement of the regime, its most notable failures are to be found in the political sector. During his most recent exile in Buenos Aires, Velasco Ibarra said that all of his problems were due to the fact that he lacked a good minister of government, and it would seem that Duran-Ballen is finding himself in the same situation. Marcelo Santos has proved to be a resounding failure. Lacking initiative, always bypassed by events, he is not a protagonist in what is happening, but a mere spectator. One incident provides an interesting illustration of his administrative methods. During

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

the clash between Guayaquil Mayor Leon Febres Cordero and National Cement, Minister of Industry Jose Vicente Maldonado issued an order of protection in favor of the enterprise, which owned a quarry that had been shut down by a municipal commissioner. But the intendant of Guayas, acting on orders issued by Santos, refused to implement the order. Either there was a disagreement between Maldonado and Santos, or Intendant Roberto Ponce was acting on his own. In any case, the government order was disobeyed. An unofficial report on the seizure of Admiral Guillermo Duenas, which was ordered by the intendant of Pichincha, has it that the operation was delayed because of the intervention of Minister Santos, who is said to have tried to prevent it. When Santos was questioned about this by Jorge Ortiz of the ECUAVISA [expansion not given] chain, he replied: "Some people accuse me of not having prevented this action, while others blame me for trying to do so."

Worst of all was the popular consultation issue. The government, suffering from the blow struck by the Supreme Electoral Board (TSE), which prohibited the consultation, had to accept a negotiated solution in the end. It had first filed a criminal appeal with the members of the TSE, but the president of that body, Francisco Acosta, would not even hear the case. "Justice is blind, but not stupid," he stated. This would not have happened to Hurtado, or Febres Cordero, or Borja. All of them were wise enough to appoint capable ministers of government, ranging from Carlos Feraud Blum to Cesar Verduga, and including Robles Plaza, Heinz Moeller, and Andres Vallejo. This is the first time since the reestablishment of the democratic system that a president, with all of the authority invested in him by the Constitution, has been humiliated in this way.

Nor has great success been achieved in the realm of international relations. Obsessed with the support given to the candidacy of the Costa Rican foreign minister, Bern Niehaus, for the post of secretary general of the OAS [Organization of American States], Minister of Foreign Relations Diego Paredes repeatedly confirmed the commitment made, even while he was in Japan. But in the end, he voted for Cesar Gaviria, the president of Colombia. "International reports commented ironically that Ecuador changed its vote four times, and that the last time, when it announced it would support Gaviria, it did so under pressure from the United States," journalist Carlos de la Torre wrote. "The end result of poor diplomacy is that one is left on bad terms with all parties. This is one of the unwritten golden rules of international relations—one to which Ecuador has failed to adhere."

The situation with regard to the frontier problem with Peru has reached its nadir. Ecuador has abandoned the thesis of papal mediation, and has postponed the planned trip to Peru so often that no one is certain now if in fact it will take place. One indication of the situation is the caution with which Minister Paredes urged journalists not to ask President Fujimori any questions about the boundary problem. A relationship that could collapse because of a question posed by a journalist at a press conference is a relationship that is too fragile. Such an effort is being made to be accommodating, such pains taken to avoid annoying Fujimori, that the Peruvian ambassador, Eduardo Ponce, could take the liberty of speaking undiplomatically about the conflict in front of the television cameras in Quito without suffering any consequences. "We lacked the fortitude needed to put the Peruvian ambassador in his place," analyst Milton Alava Ormaza says, "and we have even grown accustomed to letting the United States ambassador claim the role of guardian of our unstable political life for himself. In these as on other occasions, Minister Paredes has attempted to persuade us that reiterated acquiescence will in the long run yield good dividends and will staunch the flow from our wounded national dignity."

But there is a time for each thing and a moment for acting upon it—the moment for correcting the errors and adding to the successes. According to the analyst Walter Spurrier, it is to be expected that in the coming months, Ecuadoran Aviation will sell its shares and that the telecommunications services will be turned over to private groups on a concession basis, as will the management of the Quito and Guayaquil airports. Although we cannot expect anything more important in the social sector than the reduction of inflation, it would be a great thing if that source of corruption called Social Security were to be placed in private hands. If, in addition, we are given a new constitution that will decentralize the country, take the politics out of the justice system, and reform the party system, President Duran-Ballen, like a 73-year-old Gaviria, will have brought about an institutional revolution. And he will have won a place in history as the great reformer of the end of the century.

Laws Approved

The government, pressing hard on the accelerator, has forced a large and unprecedented number of modernizing laws through the Congress. See how the country is changing.

The Public Sector Budgets Law. This law strengthens Ministry of Finance control over the expenditures of the bodies in the public sector. Under this law, the preliminary draft budget goes into effect if the Congress does not approve the budget by December.

The Stock Market Law. This law makes radical changes in the law governing companies, reduces the control exerted by the superintendency, and introduces the UVC [constant value unit], an indexed unit for long-term credit. It also establishes the legal framework for a real stock market in the country.

The Modernization Law. This is the keystone of the reforms. It will be possible to reorganize the public sector, but it will not be possible to sell the assets of the enterprises regarded as strategic.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

The Law on Hydrocarbons. This law allows the granting of oil pipelines, the wholesale marketing of fuels, and the operation of refineries to the private sector on a concession basis. It also allows partnership contracts for oil prospecting.

The Financial Institutions Law. This law deals with controls and provides for the supervision of operations already carried out. It allows banks to engage in operations previously reserved for other institutions.

The Customs Law. This law privatizes the majority of the customs services. It allows contract arrangements with international companies to obtain information from ports of embarkation as to whether or not importers' declarations are accurate. Importers' customs declarations will be self-liquidated.

What To Expect

After 10 August, the door will be closed for further legal changes. However, the following can be expected:

The Electrification Law. This law will allow the granting of concessions to the private sector for the operation of state holdings, including the hydroelectric power plants.

The Telecommunications Law. This law will convert the EMETEL [expansion not given] into a corporation, making it possible to sell it on the stock market. The law will also make the granting of concessions to the private sector possible.

Private Enterprise Sees 'Positive' Results

94SM0461B Quito HOY in Spanish 12 Aug 94 p 2

[Text] In general terms, the private sector in the country has voiced its satisfaction with the message delivered by President of the Republic Sixto Duran-Ballen at the end of his first two years in government.

Except for some comments on details, the policy of stabilization and structural changes have won praise from the business sectors HOY has consulted.

The Industrialists' Opinions

The executive president of the Pichincha Chamber of Industries, Gustavo Pinto, termed as positive the government's management of economic policy.

He acknowledged the reduction in the rate of inflation, although he said that the presidential goal of reducing it to 20 percent this year will be hard to achieve. However, it will not be as high as 30 percent, either. "But it is necessary to continue to fight the battle," he added.

One aspect of concern to the industrial sector is the active interest rate. Pinto acknowledged that it has been reduced from 90 percent, where it stood just a little over two years ago, to the current 40-45 percent.

This rate is still high. Much has been done in this sector, but the banking system is not being managed well. Its spreads are too high, a situation that cannot be attributed to the inefficiency of the banks alone, but to excessive private bank profits, as well, he said.

Where modernization is concerned, he said that many laws, such as those pertaining to the budget, the stock market, modernization, agricultural development, and customs, have been approved, and all of them represent positive contributions to the economic development of the country.

They have helped to improve the image of the country and to create a favorable climate for domestic and foreign investment, but the ideal environment still does not exist. Therefore, he added, it is necessary to continue making adjustments in sectors such as labor, in which the drafting of payrolls is a complex affair.

Speaking about trade in connection with the Andean Pact, Pinto said that some progress has been made, especially with regard to Colombia and Venezuela.

With the former country, the process has been a very important one, because many industrial branches have been assisted in keeping some of their plants open, despite the shrinking market, he said.

But many problems, such as those in connection with transportation, customs procedures, certificates of origin, and health certificates, remain to be resolved, he noted.

Pinto stressed the positive nature of the presidential announcement to the effect that the resolutions on the common foreign tariffs within the Andean Group will be based on a consensus reached by the government and the production chambers. This is the only possible way, because we have made concrete proposals, and we have noted that the MICIP [Ministry of Industry, Commerce, Integration, and Fisheries] has taken them under consideration, he emphasized. Foreign trade is another important sector in which no clear guidelines have been set, he said, and a legal scheme for the promotion and maintenance of exports is needed.

Approval in Guayaquil

The administration of the Sixto Duran-Ballen government in its first two years in office can be termed a success in the macroeconomic sector, according to Werner Moeller Freile, the president of the Guayaquil Chamber of Industries.

It is true that results such as the reduction of inflation have been achieved, and very important laws such as that pertaining to the customs' sector have been passed. Despite this, however, Moeller Freile added, much remains for the government to do.

He said that production has stagnated as a result of the restrictions imposed to control the rate of inflation. "The

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

unemployment level is increasing, and it has not been possible to promote the export of manufactured products."

Moeller stressed that if the government had taken the opportunity in the first two years of its administration to promote greater liberalization of the economy and to modernize the state, "Our situation now would certainly be characterized by better prospects for the time remaining until 1996. But as the country has noted, the government's first steps were hesitant, and it waited for second opportunities to develop."

Moeller Freile expressed his confidence that the government will find the proper path and will keep its campaign promises. "At the beginning of the third year of its term of office, the government must calmly examine its economic policy and create incentives for export and foreign investment," he added.

He also said that "now that oil costs more than $15 per barrel, the government should revise the law calling for prepayment of the tax at one per thousand on total assets created by the amendments to the Domestic Tax System Law."

Elimination of this prepayment would give the productive sector sufficient financial resources to increase production and to initiate reconversion and engineering projects to improve productivity and total quality, he said.

Improved Housing

Ernesto Martinez, the president of the Quito Chamber of Construction, a sector in which activity has been depressed in recent years, said that his impression of the presidential report "is favorable, especially where housing is concerned, because more is being done than was the case before." He supported his view by saying that "the Ministry of Housing is doing a good job of organizing, and its programs will be carried out by the private sector. This will reduce administrative costs from the present 60 percent of project costs to 10 percent."

On the subject of sources of financing, Martinez maintained that the constant value unit (UVC) program, which went into effect more than a year ago, must be promoted, since the funds it has brought in "account for only two percent of total domestic savings, whereas our hope is to reach at least 70 percent." He said that there is also a need to implement housing mortgage rediscounts as an alternative means of finding resources for this sector.

With regard to the road system, Martinez noted that his sector is concerned about the fact that the terms of the contracts for foreign credit are "very harsh, because the prices the foreign companies are demanding are very high." He urged that financing be obtained from the IDB [Inter-American Development Bank], the BM [World Bank], or governments such as those of Germany and Japan, since in dealings with these two countries there are no strings attached.

He added that the prospects for construction enterprises in the environmental health sector are also "interesting," since these projects will be handled through the municipalities, with the Environmental Health Secretariat providing planning and advice and the BEDE [Development Bank of Ecuador] supplying the financing.

Progress on Inflation

Manuel Nieto, the president of the Pichincha Chamber of Small Industries, maintained for his part that the government's economic policy has achieved some successes, such as the reduction in the inflation rate, the restructuring of the foreign debt, and the stability achieved in the foreign-exchange sector.

One thing the president did not mention is the recession, because the market has shrunk, and for this reason reactivation of the productive apparatus is imperative.

Nieto said that it is necessary to consolidate the modernization achieved on more stable terms; to attract foreign investment, which has not been coming into the industrial sector in recent years; and to implement consistent labor policies (in areas such as collective bargaining and employers' retirement programs), as well as policies designed to safeguard the environment. He said that credit is also needed to provide operational capital, for project studies, for industrial conversion and the replacement of machinery, and for education linked with the nation's productive reality.

Nieto also complained about the excessively high active interest rates, which work to the great advantage of the financial sector.

Education Minister Resigns Over Religious Education

PA2309041794 Mexico City NOTIMEX in Spanish 1807 GMT 22 Sep 94

[Text] Quito, 22 Sep (NOTIMEX)—Education Minister Rosalia Arteaga resigned today after disagreeing with the government's intention to include the teaching of religious education in the nation's public grammar schools and high schools.

Arteaga, who is a professed Catholic, publicly said religious education was quite stagnant, and therefore, it would be difficult to include it in the program if she did not agree with it.

Her resignation was announced just after Interior Minister Marcelo Santos Vera declared that President Sixto Duran-Ballen would sign the draft bill, if it is approved by the parliament where it is undergoing final debate. The initiative to include religious education in the public schools is being promoted by the Catholic Church—the religion to which most Ecuadorians adhere.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Minister Santos said the draft bill is in line with the thinking of the co-governing Conservative Party, of which he is a leader, and the religious beliefs of President Duran-Ballen. The issue has caused intense debate in Ecuador ever since the draft bill was presented in Congress several months ago. A private poll recently conducted indicates that a large percentage of the people questioned accept the religious education in public schools.

The National Union of Teachers, which groups together those teachers who work in public schools, warned that it could stage a work stoppage if the draft bill is approved by Congress.

The Catholic Church's main argument is that its initiative seeks to resolve the moral and ethical crisis which, in its estimation, Ecuadoran society is facing. The sectors that oppose the draft bill believe that the response would do away with secularism, a principle in force in Ecuador for more than a century after being supported by a liberal revolution.

Peru

Ministry Comments on DEA Helicopter Incident

PY2209153294 Madrid EFE in Spanish 0323 GMT 22 Sep 94

[Text] Lima, 21 Sep (EFE)—The Peruvian Interior Ministry said today that it is within its jurisdiction to authorize the use of the means provided by the United States, such as air support, in the struggle against drug trafficking.

The Interior Ministry communique was released in relation to the impediment experienced by Peruvian President Alberto Fujimori to overflying a jungle region in one of the DEA [Drug Enforcement Administration] helicopters. The communique says, without mentioning the incident, that the Interior Ministry "decides the appropriate actions through its specialized organizations."

On 17 September, Fujimori was unable to use one of the helicopters of the DEA intended for support of the Peruvian police in the fight against drug trafficking in the Peruvian jungle region because there is a DEA regulation stating that the helicopters cannot fly without an authorization from its office in Lima.

The communique says that the "basic" objective of the drug enforcement agreements between the two countries is "to support the appropriate Peruvian institutions and strengthen their capabilities to enforce the law against drug production and trafficking.

The communique adds: "Therefore, it is the responsibility of the officials to plan and authorize the actions to be carried out in the struggle against illegal drug trafficking."

The communique also says that the Interior Ministry reaffirms the Peruvian Government's political commitment "to continue to fight decisively" against drug trafficking and "to continue to receive international cooperation that is compatible with national sovereignty."

On 20 September, the U.S. Embassy in Peru expressed regret concerning what happened in the Pucallpa jungle region and noted that this event involved a "misunderstanding" that "was even more regrettable because it involved the president of the Republic."

Fujimori labeled the measure "absurd and unusual," and added that he cannot accept "the president of Peru having to obtain authorization from the DEA to overfly national territory."

Chilean Diplomacy on Lima Convention Viewed

PY2209233794 Lima EL COMERCIO in Spanish 2 Sep 94 p A2

[Commentary by Jose de la Puente Radbill: "Chilean Diplomacy: the Style Persists"]

[Text] Following the decision by the Peruvian executive branch to withdraw the conventions signed with Chile in May 1993, which were later submitted for consideration by the Democratic Constituent Congress, the Chilean Foreign Ministry reacted in a way that is, unfortunately, almost predictable: Apparent firmness but full of concealed threats. But Peruvians have been accustomed to this psychological game since the times of Diego Portales, the great mentor of foreign policy of our friends to the south.

On some occasions we surprised them with our answers that were full of firmness and good manners, because we are aware that these things go hand in hand. Thus, years have passed using a dialogue which, on some occasions, was positive and open, and consequently, beneficial for the two countries.

Yet every time we avoided the necessary confrontations, our style was mistaken for an apparent weakness which, in turn, encouraged persistent aggressiveness.

In a communique issued on 29 August, the Chilean Foreign Ministry unilaterally mistook this action for a curious denial. In the unfortunate Paragraph 3 of the communique, it reiterates its conviction that the 1993 Conventions "solemnly signed at the Pizarro Palace in Lima, in the presence of the highest-ranking Peruvian authorities, represent an adequate tool to implement the projects that Chile, in compliance with the terms of the 1929 Treaty, built in Arica with Peru's full approval."

But the honorable Chilean Foreign Ministry forgets that there are two sides to this issue, and our opinion is as valid as theirs. It also forgets that, until the Peruvian Congress approves the conventions in compliance with our legal system, and until our executive branch ratifies

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

them—because, of course, they have not yet been approved by the legislative branch—those conventions, which do not commit Peru, await improvement.

This is the current state of affairs that Chile refuses to admit.

Following these reflections, I will take the liberty to add a few points that an expert on diplomatic affairs could not overlook:

1. Chile practically demands that Peru fulfill the 1993 Lima Conventions without any amendments.

2. Chile should recall that it consulted Peru in compliance with the Complementary Protocol to the 1929 Treaty, which grants the Bolivian Republic a sovereign concession in Arica to solve its landlocked situation. Peru answered in November 1976, accepting the concession, but as a way to safeguard its worthy and effective presence in Arica in what could be a zone of shared sovereignty in that province, Peru submitted a formula that would make our proposal feasible. How did Chile react? It rejected the formula without any explanation and thus uncovered its plan, which is to make Peru responsible for Bolivia's landlocked situation. Fortunately, Bolivia realized what Chile was doing and broke diplomatic relations. They have remained broken ever since.

3. With the construction of a dock, Chile now finds an excuse to distort the best part of the 1929 Treaty and, especially, the services obtained in Peru's favor that have a direct impact on important transportation sectors and the Maure and Uchusuma irrigation canals. As the eminent international affairs expert Alberto Ulloa Sotomayor stated, these services entail a reduction of Chilean sovereignty in Arica and a sort of compensation to Peru for its 1879 tragedy. We must not forget what President Leguia obtained alone in 1929 and accept with resignation a dock full of legal and technical limitations that is of doubtful use to Peru in the short term.

4. The fact is that whatever the result of these unfortunate negotiations, Peru must concentrate all its efforts on developing Tacna, which should become a large development center. This could then complement the Ilo port which, following recent contracts with the Netherlands, could become one of the great ports of the Pacific and the basis of the interconnection with the Atlantic through the multiroad system with Santos port in Brazil, and Rosario port in Argentina.

5. This is the pragmatism we offer in exchange for the distortion of the untouchable 1929 Treaty, which is nothing more than the 1993 Convention.

6. Until I read the unfortunate communique of the Chilean Foreign Ministry of 29 August 1994, I sincerely believed—and this is what I told the skillful EL COMERCIO reporter who interviewed me on the phone—that we should continue to negotiate with the Chilean representatives. But the piercing tone of that document and the unnecessary recalling of the Chilean ambassador in Lima make me fear that the terms we have ahead are becoming protracted. More so when the erroneous handling of this issue by the Chilean Foreign Ministry is unnecessarily staining the excellent relations we maintain with Chile in other areas. Chile should understand that we are extending a hand but remaining firm in our conviction that we are safeguarding our interests, especially when it involves a delicate area that is very close to our national feelings.

Concluding these brief comments, perhaps it would be useful to ask ourselves the following questions:

Are Ilo and Matarani logically the natural ports of Tacna? Would investment in Tacna influence the profitability and technical achievements of Ilo and Matarani? Must we reiterate that Tacna should be declared a development center? Should an autonomous entity be created to manage the benefits, exemptions, and incentives for the Tacna region as well as the development of industrial and commercial activities?

These and other alternatives are in the hands of Peru. The appropriately modified northern pier of Arica port should be the symbol of fulfillment by Chile. The ball is in their court.

Poll Shows 47.4 Percent Prefer Fujimori

PY2209195394

[Editorial Report] Lima LA REPUBLICA in Spanish on page 3 of its 4 September edition carries an 800 word report on a poll conducted by the Imasen enterprise between 26 and 30 August in Lima and Callao.

In addition to stating how they thought President Alberto Fujimori is handling his marital problems and about the corruption charges leveled by Mrs. Fujimori against government officials, the 458 interviewed people also expressed their electoral preference. A total of 47.4 percent, compared to 43.4 percent in last poll, said they would vote for Fujimori; 31.9 percent, compared to 28.6, for Javier Perez de Cuellar; 5.2 percent, compared to 10 percent, for Ricardo Belmont; and 3.1 percent for Mercedes Cabanillas if the elections were tomorrow. Of those polled, 62.7 percent approve of Fujimori's administration, 27.9 percent disapprove, and 9.4 percent do not know.

Perez de Cuellar Announces Candidacy

PY2309032194 Lima Global de Television Network in Spanish 0130 GMT 23 Sep 94

[Text] Javier Perez de Cuellar has announced his candidacy for president of the Republic in a recent message to all Peruvians, in which he asked for unity and cleanliness in the electoral process. He said he will be an independent candidate. The electoral competition will begin now, he said.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

[Begin Perez de Cuellar recording] Peru needs unity to guarantee a promising future not only for some, but for all Peruvians. Thousands of my fellow citizens, whom I have met during my extensive tours through the country, believe that I can guarantee this unity. What I have and what I am today I owe to Peru. I do not think I have the right to refuse to serve Peru once again. [applause]

We must resolutely and with all our energy contribute to introducing a democratic balance and to establishing the independence and efficiency of the institutions that will allow us to become a free and developed nation, with equal opportunities for all.

Today I want to announce that I will be an independent candidate for president of the Republic in the general elections.

My fellow citizens, I have and will continue to listen to Peruvians of all trends, especially the women and the youth who would like to participate in the construction of a better future. [end recording]

Uruguay

Lacalle, Abreu Comment on Haiti, Cuba

PY2209151294 Montevideo BRECHA in Spanish 16 Sep 94 p 8

[Text] Regarding the U.S. threat to invade Haiti, President Luis Alberto Lacalle was very clear and blunt when he reaffirmed the traditional principle of nonintervention that our country has always defended. But a very singular thing happened on this occasion: The emphasis that the government placed on this position and the Foreign Ministry's warning that relations between the United States and the Rio Group would be affected if a military intervention took place.

It is opportune to cite the remarks that the president made during the "In Perspective" program (Radio El Espectador, 12 September): "We believe that it is a very serious matter to talk about the intervention of the United States in an America that knows all about it and that has always repudiated it.... Even though the United Nations has given its approval, we believe that it is not the appropriate measure. In the first place, it will not lead to the desired goals, and in the second place, the topic of intervention is very dangerous because one does not know how it will end."

The president added: "As if this were not enough, today I have read that there is talk about bringing in forces that do not belong to our continent to help out with the intervention, and for me that is historical barbarity. That European countries, colonial countries from which America obtained its independence, have the intention of coming here to intervene in American issues is a historical barbarity." According to Lacalle, "the axis of this situation must be changed; people are not leaving Haiti because they want to vote or because they want proportional representation, but rather because they have nothing to eat. And the United States is concerned because the poor Haitian peasants are arriving on its shores in their rafts and boats. That is the concern of the United States."

Lacalle also referred to the situation in Cuba, and although he placed the responsibility for "the dependence, backwardness, dictatorship, curtailing of freedom, and hunger" on socialism, he energetically rejected the use of any type of armed action.

The government's position in this respect was confirmed with diplomatic, but equally unequivocal, style by Foreign Minister Sergio Abreu, who stressed that "Uruguay cannot allow, nor will it aid and abet, any type of unilateral or multilateral intervention in Cuba, no matter what reason is invoked." And he warned that if there is any intervention in Haiti or Cuba, relations between the United States and the Rio Group could be affected. It must be recalled that during the recent Rio Group summit, Argentina and Trinidad and Tobago supported military intervention in Haiti. Lacalle did not hide his concern about the attitude of the government of Carlos Menem regarding this matter, and he admitted that a large part of the meeting was dedicated to trying to convince him to join the delegations that defend the principles of nonintervention and self-determination of peoples.

Editorial on U.S. Motives for Haitian Invasion

PY2209214494 Montevideo EL OBSERVADOR ECONOMICO in Spanish 20 Sep 94 p 2

[Editorial: "A Temporary Respite in the Haitian Situation"]

[Text] The situation in Haiti went so far that only General Raoul Cedras could resolve it. He did so by accepting an agreement with the delegation headed by former President Carter and by announcing that the Haitian military, which overthrew Jean Bertrand Aristide in 1991, would relinquish power on 15 October, the date on which the legitimate president will return to Port-au-Prince.

The whole world heaved a sigh of relief over the success of the negotiations, which prevented an armed invasion that would surely have led to an unjustified bloodletting. President Clinton must have been the most comforted by the success. During the long crisis he progressively became a prisoner of his own words, to such an extent that many analysts, including former Secretary of State James Baker, believed the justification of the invasion lay more in saving the president's credibility than in the conviction that the defense of democracies is one of the pillars of U.S. foreign policy.

In spite of the favorable resolution adopted in July by the UN Security Council, just a few days before the invasion neither the people nor the U.S. Congress were fully convinced of the benefits of intervention, especially due to the strong suspicion that the real motive was related to home-oriented affairs. Aristide's very absence of prestige

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

meant that no one considered his return to power was worth the loss of even one American life.The armed intervention also did not have the support of most Latin American countries, which opposed it in a bloc.

The success of the Carter mission does not, however, resolve all the problems. The return of Aristide, although elected in free elections, will not resolve the problems of a country that has the dubious privilege of being the continent's least-developed country. The Haitian people, which have definitely suffered the brunt of these painful episodes—among them blockades, trade sanctions, and embargoes—will surely not find a better future under the populism that characterizes Aristide, whose mental stability has become suspect following a report that greatly concerns U.S. congressmen. Neither is the presence of U.S. Armed Forces, even though the objective in this case is peaceful, a desirable situation nor must they remain for an extended period of time.

The region's countries should assume this case as a commitment, above and beyond the defense of democracy, and mount an earnest social and economic reconstruction operation to assist a country of 7 million inhabitants who have for years been submerged in one of the greatest crises in history, with alarming levels of poverty and unemployment and a pronounced deterioration of their health situation which, in turn, represents a real threat of dangerous epidemics.

Last Uruguayan UN Peacekeeper Released in Liberia

PY2209195594 Montevideo EL OBSERVADOR ECONOMICO in Spanish 19 Sep 94 p 6

[Text] The Army's Public Relations Department reported last night that Major Wellington Sarli, the last Uruguayan military peacekeeper who was being detained in the African republic of Liberia, was released on 18 September and he is now safe and sound in the republic of the Cote d'Ivoire.

Captains Gustavo Osorio and Pablo Torello, another two Uruguayan peacekeepers, had been released before Sarli and they are now also in the Cote d'Ivoire.

Forty-three military peacekeepers of the UN mission, including the three Uruguayans who have been released, were detained in Liberia.

Venezuela

Government To Accept Up to 8,000 Cuban Rafters

PA2209133294 Caracas Union Radio Network in Spanish 1100 GMT 22 Sep 94

[From the "Union Radio News" newscast]

[Text] According to instructions issued by a joint commission of Foreign Ministry and Interior Ministry officials, the Venezuelan Government will accept up to 8,000 Cubans as refugees so long as it is confirmed prior to their arrival they have relatives living in the country.

Eduardo Cuello, director of the Interior Policy Department in the Interior Ministry, has released this information. Cuello pointed out that the government's decision is based on solidarity and humanitarian reasons and a willingness to reunify families.

Minister Expects Positive Response on Extradition

PA2209202394 Caracas Union Radio Network in Spanish 2200 GMT 21 Sep 94

[Report by Cecilia Pachano from Miraflores Palace; from the "Union Radio News" newscast]

[Text] Justice Minister Ruben Creixems has asserted, based on information provided by the foreign minister, that everything seems to indicate that Colombian authorities will return Larry Tovar for trial in Venezuela. Creixems explained that according to Colombian law, when two nations request a person's extradition, priority will be given to the nation that presented the first request.

[Begin Creixems recording] Venezuela was the first to request extradition. The U.S. extradition request is dated later than Venezuela's. Thus, the foreign minister believes Venezuela has a good chance of receiving Larry Tovar Acuna, either through deportation or extradition. We have to wait for the official decision by the Republic of Colombia, which must follow procedures stipulated in its laws and legislation. Colombia must comply with its legal procedures and fixed terms, but the foreign minister told us there was good reason to believe we would receive Larry Tovar Acuna. [end recording]

The justice minister also commented on the precedent established by the Larry Tovar case, stating that he has recommended to the president that prisoners sentenced to jail for drug trafficking activities be excluded from the benefits of the presidential pardon. He said it was politically inadvisable to grant this pardon, even though such prisoners can legally receive the presidential favor.

President Caldera will grant pardons to approximately 200 prisoners this Saturday, the Day of Las Mercedes, the patron saint of prisoners.

Minister Declares Health Workers Strike 'Illegal'

PA2309023394 Caracas Union Radio Network in Spanish 1100 GMT 22 Sep 94

[From the "Union Radio News" newscast—passages within quotation marks recorded]

[Text] [Unidentified announcer] More than 20,000 doctors will join the strike slated by the health sector for 26 September. Johnny Ficarella has this report:

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

[Ficarella] Today we will show a view different from the one we see every day when we refer to the health crisis. Health workers have left hospitals nationwide to demonstrate in the capital near Miraflores Palace. The protest march announced by the public health sector left from Caracas Square and included doctors and blue collar workers of the organizations responsible for providing the health services all Venezuelans are entitled to. The march constituted an act of solidarity among all groups of health workers. Apparently, exerting pressure is the means to reach solutions, Rolando Garanton, president of the Doctors Association in Guarico State, stated during the march.

[Garanton] "The government has the whip in hand. If the government gives us an appropriate answer, we will immediately stop our activities. If the government does not comply, however, we are willing to resign en masse. There are 20,000 doctors nationwide working for public health and social security. I would like to know where the health minister or the president of the institute for social security will find 20,000 doctors to temporarily fill our posts if we resign."

[Ficarella] Public health employees have demonstrated today to prevent and at the same time spread the news about a general and indefinite strike programmed by this sector. They expect the government to provide for the sick—that is, to give them the right to collective bargaining and the right to health services. A sick person always has hope, and, in this case, the solution lies with the national government. Here is Cecilia Pachano with a report on the government's reaction to this situation from Miraflores Palace.

[Pachano] Everything seems to indicate that the forecast for this situation remains unknown. Both sides have stated their positions here at Miraflores Palace. The health unions, supported by the Confederation of Venezuelan Workers [CTV], reiterated their rejection of the attorney general's call to abide by labor regulations and the health minister's threats to dismiss anyone who joins the strike.

The health unions also launched a threat of their own: If the national government does not respond to their demands, they will call a national strike of public employees. The executive branch's interest did not take long. Labor Minister Juan Nepomuceno Garrido replied that the government will dismiss all workers who insist on joining the strike and will deduct the corresponding wages from those employees who skip work.

[Garrido] "Those leaders who have encouraged workers and have given them orders to disregard their obligations will certainly suffer the consequences. Their dismissal will be requested and action will be taken. It is clearly established that even though there are provisions for calling labor meetings, the law directly prohibits accepting and processing any list of demands. As a result, the strike is entirely illegal, and I categorically declare it as such."

[Pachano] There is, however, a three-day waiting period for the two sides to resume negotiations and to prevent the CTV from submitting the contentious document on 3 October. If that document is submitted, it could lead to 500,000 public workers going on strike.

[Announcer] The executive branch is considering the possibility of increasing the salaries of doctors through a decree. Cecilia Cayone has this report:

[Cayone] Health Minister Carlos Walter [name and title as heard; bureau files list Vicente Perez Davila as health minister] made this announcement, and he added that, for the time being, this measure is nothing more than an idea.

[Walter] "It would be a decree that facilitates an increase in the base salary of medical personnel. This decree would be based on the reasoning [words indistinct] in the decree that would be issued by President Velasquez."

[Cayone] As for the conflict prevailing in the health sector, Walter reiterated that only blue collar workers are on strike, because the doctors have not yet called a strike. Minister Walter also emphasized that President Rafael Caldera might meet with representatives of the Doctors Association in an effort to find a solution to their demands. This meeting was requested by the medical personnel that marched to the Miraflores Palace on Wednesday.

[Announcer] The regional government of Zulia State will dismiss all doctors and health workers who do not return to work. Here is Giovanni Esposito with a report from Maracaibo:

[Esposito] The Zulia State government has instructed hospital directors that a failure by workers and doctors to return to work immediately will constitute grounds for dismissal. Following 15 days of conflict, doctors and health workers must return immediately to work because Zulia's acting Governor Oscar Rincon indicated that a few minutes ago the Labor Ministry determined that the health sector's strike was illegal.

Rincon, with the Labor Ministry communique in his hands, said that salaries will not be paid to employees who skipped work and that a failure to return to work will constitute grounds for dismissal. Rincon noted that as of this moment he will confront the labor union mafias. Rincon added that health centers will be placed under the control of the National Guard and the police to prevent the theft of medical and surgical equipment. Rincon made these statements during a meeting with a delegation of doctors at the Bolivar Plaza in Maracaibo. This delegation led a march from the Basilica to the governor's office.

[Rincon] "This decision by the Labor Ministry to declare this strike illegal [words indistinct]. I want to announce that we will open administrative files in the case of doctors and union and medical sector leaders. As of this moment, an administrative file will be opened on any

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

worker or doctor who does not resume his regular activities to clean up the health sector. This is a perfect occasion to clean up the health sector, to get rid of political chicanery [words indistinct]. We must rid the sector of those who currently oppose the regional government's decision not to pay wages for time not actually worked [words indistinct]."

[Esposito] Meanwhile, the Doctors Association of Zulia State has announced a new march through the main streets of Maracaibo on Friday.

Senate Strips Former President of Immunity

PA2209165394 Caracas Union Radio Network in Spanish 1100 GMT 22 Sep 94

[Report by Cecilia Cayone from the "Union Radio News" newscast]

[Text] For the second time, the Senate of the Republic—with 32 yeas and 11 nays—has voted to strip former President Jaime Lusinchi of his immunity. Here is Cecilia Cayone with a report:

[Cayone] Congressional blocs like National Convergence, Movement Toward Socialism, Radical Cause Party, and the Social Christian Party voted in favor, while Democratic Action [AD] cast the 11 nays. AD members argued that stripping Lusinchi of his immunity is not wise, as stated by Senator Otto Padron Guevara.

[Begin Padron recording] Stripping Senator for Life Lusinchi of his parliamentary immunity sets a very negative precedent because, among other things, the prosecutor general of the Republic has not had a say in this matter. As many of you may recall: when Prosecutor General Ivan Badell was appointed, Orlando Fernandez—who has long been attacking Jaime Lusinchi pitilessly and thoughtlessly—said it would be up to the prosecutor general to accuse Lusinchi if the Supreme Court approves a preliminary hearing. [end recording]

[Cayone] But Senator Padron Guevara said that this decision will not tarnish the image of AD, a party that according to Padron has experienced an upsurge in recent months. Thus far, the Senate has voted twice in favor of stripping former President Lusinchi of his parliamentary immunity—the vote cast this Wednesday on presumed mismanagement of the social allotment of the National Racetracks Institute and last year's vote on the jeeps case.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [ ] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735,or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.